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The global milkbar and the local sweatshop: ethnic small business and the economic restructuring of Sydney

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Abstract
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The Global Milkbar and the Local Sweatshop: Ethnic Small Business and the Economic Restructuring of Sydney

CASTLES / COLLINS / GIBSON / TAIT / ALCORSO

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EXECUTIVE SUMMARY

1. *Introduction*[*]

This report presents the findings of a two-year research project on economic restructuring, migrant employment and the growth of small business in Sydney. Most of the empirical work took place in Marrickville, which has the highest proportion of overseas-born population of any local government area in NSW. The project was funded mainly by the Office of Multicultural Affairs, with additional support coming from the Australian Research Grants Scheme and its successor, the Australian Research Council, Kuring-gai CAE, and the University of Sydney. An interdisciplinary approach was adopted to look at economic restructuring in Australia, its effect on regional and local economic and social structures, the consequences for migrant workers of different backgrounds, and the trend towards self-employment and establishment of small businesses by members of various ethnic groups.

2. *Issues and Literature*

Since industrialisation, the proportion of the workforce who are self-employed or employers has tended to decline. However, this trend has been reversed in the last two decades, and small entrepreneurs are again growing in numbers and economic importance, as is shown by material from the USA, Western Europe and Australia. In all the countries examined, ethnic minorities are playing a major role in this small business revival. There is considerable international literature on the entrepreneurial roles of various minorities. It is necessary to combine a 'macro approach', which examines the structural reasons for the changing role of small business, with a 'micro approach', which looks at individual reasons for moving from wage-labour to self-employment and examines the living and working conditions of those concerned.

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[*] The numbers in the Executive Summary correspond with the numbers in the main report.

Theories on immigrant or minority business provide three types of causal explanation for the varying roles of different groups: cultural explanations emphasise the 'cultural resources' or 'predispositions' which may lead to business success; 'structural explanations' focus on the need for certain economic activities at certain times, which provide opportunities for groups of certain kinds; 'situational explanations' emphasise the relationship between cultural and social characteristics of groups and the circumstances of their arrival and settlement. In Australia, very little work has been done to address these issues. One exception is the study by Strahan and Williams, which is reviewed briefly.

Migrant labour played a major part in economic growth in most developed countries between 1945 and the mid 1970s. Although the types of migration varied (colonial migration, 'guestworkers', refugees, permanent settlers), the forms of incorporation in low-skilled, heavy manual jobs in manufacturing and the services showed great similarity. Economic restructuring, technological innovation and changes in the international division of labour have led to shifts in the role of migrant workers. This is reflected in the decline of low-skilled labour-intensive manufacturing work, and the changing role of cities like Sydney in the global economy. This in turn leads to changes in the spatial organisation of previous manufacturing areas like Marrickville and to modifications of local labour markets. This is the context in which changing patterns of migrant employment, and of migrant small business have to be sited.

3. Methodology

The study used a variety of data sets and types of analysis:

- A survey of 165 small business owners in Marrickville, Leichhardt and Western Sydney, using in-depth qualitative interviews. Nearly half the respondents were in the retail sector, while the rest were in manufacturing or the services. Five birthplace groups were covered: Greeks, Italians, Lebanese. Latin Americans and Indo-Chinese. Interviews were conducted by members of the appropriate group. Most contacts were made through local community networks.

- Analysis of official statistics, including Censuses of Population and Housing, of Manufacturing Establishments and of Retail Establishments, and the ABS Labour Force Survey.
- The Marrickville Industry Survey, conducted by Marrickville Council in 1985.
- A survey of retail establishments in Marrickville, conducted specially for this project by geography students from Sydney University.
- A review of international literature.

4. Migrant Workers in the Changing NSW Labour Market

More than one third of all post-1945 migrants to Australia have settled in NSW. More recent migrant groups, in particular Asians, are overrepresented in the state. Migrants are highly concentrated in Sydney, where they form 29 per cent of the total population, and within Sydney in certain municipalities. As the relative size of overseas-born groups in other regions (such as the Illawarra and the Hunter) decline, the concentration in Sydney is increasing. This would be even more marked if the second generation is taken into account.

The Australian labour market is highly segmented by gender and birthplace, with NESB migrants heavily concentrated in manual and manufacturing jobs. More than 40 per cent of plant and machine operators, and labourers are overseas-born. In Marrickville over 70 per cent of these categories are overseas born, while the figure exceeds 60 per cent in several areas of Southern and Western Sydney. Migrants of NESB also tend to have high unemployment rates in the Central, West and South West Sydney areas. Migrant women are particularly affected by unemployment, and are also likely to be among the 'hidden unemployed'. Cohort analysis is used to indicate the participation of various groups of migrants in the labour force. A large number of the new jobs are part-time, and this phenomenon is examined by birthplace group and gender.

5. The Ethnic Small Business Sector

According to the ABS there were 580,900 small businesses (i.e. those with less than 20 employees) in Australia in 1986-87, making up 83 per cent of all enterprises and employing 44 per cent of all private sector wage and salary workers. The highest proportion of small businesses is in Construction and the Retail trades; together with Finance and Agriculture, these industries account for two thirds of all small businesses. The number of small businesses grew by about 15 per cent between 1983-84 and 1986-87.

Most overseas-born people are employees, but in some ethnic groups the proportion of the self-employed is higher than average. In 1981, 16 per cent of both the Australian and the overseas-born workforce were self-employed or employers, but rates were particularly high for the Greek-born (26 per cent), the Dutch (24 per cent), the Italian (24 percent), the Lebanese (22 per cent) and the Germans (20 per cent). Distributions by industry vary considerably, especially when statistics are disaggregated to the 4 digit ASIC level. Italians, for instance, are highly represented within the retail industry in clothing, fabric and furniture stores; men's clothing; fruit and vegetable stores; liquor stores; bread and cake stores; fish shops, take-away food shops and milk bars.

The economic contribution of the self-employed is often ignored in labour market research and immigration policy. A more accurate understanding of the significance of ethnic small business may lead to a reassessment of the economic benefits of family reunion, since small business depends heavily on family support. Current processes of restructuring are leading to increased self-employment, but it is important to examine whether this is in fact a cloak for new forms of dependence, e.g. through outwork or sub-contracting.

6. Marrickville Area Study

Marrickville has housed and been the site of employment for many newcomers to Australia over the last 30 years. The detailed study of the area permits an examination of the micro-processes of economic and social change which combine to produce the macro-process of industrial restructuring. The manufacturing workforce resident in Marrickville grew from 11,000 in 1933, to 18,000 in 1966 and then declined to 7000 in 1986. Four case studies of large firms (TRW Australia, Fowler's Pottery, Malco Industries, John Vicars) which have been major employers of local and migrant labour are used to examine the history of industrial growth and restructuring. The manufacturing workforce came to be made up largely of migrants in the growth period of the 1950s and 1960s. The process of modernisation, rationalisation and relocation out of the inner city had a drastic impact on the employment levels of firms which had high proportions of NESB migrants in their workforces.

This trend was particularly evident in the clothing industry, where international competition has forced larger firms to close down or relocate. Most remaining firms have fewer than 10 workers. Often they are immigrant-run businesses, forced to work at very low profit margins because of dependence on large retail chains, which are able to set prices. Typically, such sub-contractors keep costs down by putting out work to migrant women outworkers, who are paid at extremely low rates.

The area study also examines the changing role of various ethnic groups in the retail sector. Frequently businesses are started to fill 'ethnic niches', i.e. to provide goods and services relating to the needs of specific groups. In other cases migrant-owned businesses provide services to the general public which are not profitable for bigger operators, e.g. local corner stores with long opening hours.

7.Ethnic Small Business Survey: Research Findings

The survey of 165 small business owners in Marrickville, Leichhardt and Western Sydney provides in-depth information on the characteristics of immigrant entrepreneurs, on previous experience of work and unemployment, on business organisation, work patterns and management practices, on family participation and aspirations for the children, and on the development of ethnic business networks. Such information is linked with the findings of comparable research in other countries, as reviewed in Chapter 2, and with the analysis of economic and spatial restructuring elsewhere in the Report.

It was found that although many businesses had ethnic dimensions, they did not form an 'enclave economy', since they catered for the population as a whole, and had business links with businesses not run by co-ethnics. Independence was one of the main motivations for setting up small businesses. In some cases, particularly in the manufacturing sector, this independence was undermined by relations of dependence on larger firms. In the retail sector, independence was more genuine, though bought at the price of very hard work and long hours. Competition between small firms, and with larger companies (e.g. supermarkets) was intense, and this kept profits low in many cases. Nonetheless, three quarters of the businesses surveyed said they made a profit.

Many of the small businesspeople had previously worked for larger employers and experienced retrenchment. It was particularly those who entered Australia during the period of restructuring who were likely to have been unemployed, suggesting that starting a small business was a survival strategy, rather than an attempt at upward mobility. The work of family members (often without individual payment) was crucial to success in small enterprises. Holidays were rare, and it was clear that running the small business became the central focus of life. Family involvement and long hours put a strain on family life, but so would the only alternative available to most respondents: long hours of low-paid factory work. Few small businesspeople wanted their children to follow in their footsteps; the aim was upward mobility through education and a shift into professional or executive employment. In fact many respondents had experienced downward mobility through migration, having had higher status white-collar employment in their homelands. Setting up a small business is thus often a response to blocked mobility, caused by lack of language proficiency, non-recognition of qualifications, or inability to find appropriate employment.

Migrant entrepreneurs experience difficulty in obtaining credit. In some cases 'ethnic resources' (such as revolving credit arrangements) are utilised. On the whole the Vietnamese and Greek businesspeople had started off with their own savings, accumulated through hard work at low wages and frugal living.

8. Policy Implications

The decline in Australian manufacturing industry has reduced job opportunities particularly for NES migrant men and women. The Illawarra and Hunter regions have been hardest hit by this decline. Sydney is taking an increasingly larger share of NSW's new migrants. Despite record employment creation, unemployment amongst NES migrants has increased in the period 1984-87 especially in Western and South Western Sydney. Recent Lebanese and Vietnamese migrants have experienced particularly high unemployment rates. Our research suggests that there is a clear need for industry policies and labour market programs targetted to particular spatial and ethnic pockets of unemployment.

The disproportionately high presence of migrants in the small business sector in Australia highlights a hitherto unrecognised economic contribution of immigration, especially by those from NES countries. This represents a strong economic argument for family reunion immigration.

None of the small businesses surveyed in this study were members of any business associations, nor were proprietors usually aware of any government assistance available to them. Yet small business owners experienced many problems of financing, long hours and cut throat competition. Policy initiatives need to be directed to reducing the hardship experienced by this sector of the economy.

One reason for the over representation of migrants in small business relates to their difficulty in getting overseas formal educational and trade qualifications recognised in Australia. Improvements in this area are long overdue.

1. INTRODUCTION

This Report is the product of a two-year empirical research project carried out in Marrickville and other inner-city areas of Sydney from mid-1987 to March 1989. The interdisciplinary research team consisted of:

- David Tait (research sociologist, Social Facts Pty.Ltd.),
- Katherine Gibson (geographer, Department of Geography, University of Sydney)
- Jock Collins (economist, Department of Economics, Kuring-gai College of Advanced Education),
- Caroline Alcorso and Stephen Castles (both sociologists, Centre for Multicultural Studies, University of Wollongong).

Several bilingual interviewers were also employed. Students from the Department of Geography at Sydney University participated in some of the empirical work, as part of an economic geography course.

The main funding body for the project was the Office of Multicultural Affairs. Additional funds for specific parts of the work were obtained from the Australian Research Grants Scheme and its successor, the Australian Research Council, and from the Kuring-gai CAE research fund. The methodology and the empirical work of the project are described in detail in Chapter 3.

The starting point for the project was the processes of industrial and organisational restructuring taking place in Australian cities since the early 1970s, and the impact these were having on the work-situation and life chances of the migrant labour force. In common with other 'older' industrial countries, Australia has experienced a decline in the manufacturing labour force, an increase in employment in certain service sectors, and sweeping changes in employment practices and work methods. The social effects of these developments are all the more marked, in that their impact is generally a regional one: industry and employment declines in older industrial towns and suburbs, while new types of employment develop in different areas. This leads to local deindustrialisation and urban decline.

Our concern was to examine the effects of these changes on migrant workers in Australia. Since migrant workers had played a key role in Australia's postwar industrialisation (Collins 1988), and were considerably overrepresented in the manufacturing labour force, they appeared to be bearing the brunt of the processes of change (Castles, Morrissey and Pinkstone 1988). The previous work of the researchers on migrant employment in Western Europe (Castles and Kosack 1973, Castles 1984), in Australia (Alcorso 1988, Gibson and Tait 1987) and elsewhere (Gibson and Graham 1986) convinced us of the need for a multidisciplinary approach, combining the theories and methods of political economy, sociology and economic geography. By looking at industrial change and migrant employment in a specific industrial suburb, we hoped to gain detailed qualitative insights into the human and economic effects of the processes. At the same time, our intention was to site these local developments in the national and international context.

We chose the Marrickville area of Sydney as the main focus of our study for several reasons:

- It has the highest proportion of overseas-born population of any local government area in New South Wales
- Presence of both older migrant groups (especially Greeks) and of newer groups (especially Vietnamese) allows examination of processes of intergenerational change and of 'ecological succession'
- The diverse and changing industrial structure
- Easy access for the researchers (two live in the area, and it can easily be reached by road or rail from Wollongong).

However, some case studies were done in other areas, in particular Leichhardt and Cabramatta, to increase the ethnic and industrial diversity of the sample.

The objectives of the study were:

(i) To describe trends in self-employment amongst NESB migrants in Australia and more specifically, Sydney.

(ii) To examine, via case study interviews, the backgrounds and perceptions of the self-employed NESB migrants in Sydney, especially in Marrickville (Sydney's most multicultural local government area).

(iii) To place the findings of (i) and (ii) in the context of trends in the restructuring of Australian industry and employment.

(iv) To shed light on the question of whether migrant self-employment represents an enclave economy, is an intrinsic part of ethnic culture or a response to blocked opportunity in wage and salary employment.

(v) To outline issues that require special attention for future research.

The theoretical and empirical work of the project, and the contents of this Report do address all these aims. However, it should be noted that the focus of our research did shift to some extent during the project: we became increasingly concerned with the phenomenon of the growing representation of migrants in the categories of the self-employed and employers. Some ethnic groups showed extremely high proportions in these categories: the 1986 Census showed that 30 per cent of Greek-born persons in the New South Wales labour force were self-employed or employers, compared with a state average of 16 per cent in these categories. Other groups with high rates were the Hungarian-born and Korean-born (both 29 per cent), people born in China (27 per cent), Cyprus (26 per cent), Lebanon and Italy (both 25 per cent). Groups with below-average representation in the employer and self-employed categories were people born in the British Isles or the Indian sub-continent (both around 13 per cent), Latin Americans (9 per cent) and the Vietnamese-born (8 per cent) (ABS 1986 census microfiche table CX0017). Greeks, whether born in Greece or Cyprus seem to have the highest rates of self-employment, while two groups frequently associated with small business - South Asians and migrants from the nation of shopkeepers - have among the lowest rates.

How are these figures to be interpreted? Does entry to self-employment represent upward social mobility, as is often argued? Or is it a strategy of desperation for people retrenched from industrial employment? Does self-employment represent higher economic and social status than salaried employment in professional, executive or managerial positions? If not, high rates of self-employment could be a response to blocked mobility and might actually indicate below average social status.

Does owning a small business mean greater autonomy than wage labour, or is it a cloak for new forms of dependence, in which large enterprises retain control over production and marketing, while transferring the entrepreneurial risk to others through practices such as sub-contracting, franchising or even outwork (as argued in TNC 1985)? Why do certain ethnic groups have above average rates of self-employment? Does this indicate successful adaptation to the economic conditions of contemporary Australia, or, conversely, a trend towards separatism, within an enclave economy?

The development of ethnic small business in Australia raises two larger sets of questions. The first concerns the changing structure of the economy and the labour market in general, and the way patterns of immigration and of employment of migrant workers shift to match these structures. The second concerns the changing role of small enterprise in the economy of advanced capitalist countries. Until the 1970s, the trend towards decline of small independent producers, which started with the industrial revolution, appeared set to continue until the virtual extinction of the 'petit-bourgeoisie' - as predicted by Marx and other 19th century social theorists. In recent years, this decline has halted and, indeed, been reversed. Self-employment is growing, and appears to have a new dynamism. Indeed much of the growth of employment in the USA, Britain, Australia and other countries is attributable to small firms. Do migrants in Australia become small entrepreneurs because that sector of the economy has a tendency to grow, and therefore presents opportunities? Or is the willingness of migrants to take risks and to work hard one reason for the dynamism of small business?

Such were the questions that arose as we began to analyse ethnic small business, and we soon discovered that no answers were readily available. Virtually no empirical research has been done on the topic in Australia and hardly any systematic data is to be found (Holton 1988: 5). Indeed, it is only through recent research commissioned - like ours - by the Office of Multicultural Affairs that the issue is being raised. Holton's Policy Option Paper (1988) presents comprehensive background material on small business policy in Australia, and a survey of international research, but can provide very little in the way of comparative analysis of ethnic small business in Australia. The only source which presents empirical material is Strahan and Williams' report to OMA (1988), which is based on Professor Williams' longitudinal study of 13,449 businesses with 22,034 owner/managers between 1973 and 1985. Within this sample, 2,130 enterprises with 4,113 owner/managers are run by immigrant entrepreneurs (including people from English-speaking countries). We will look at some of the findings of this study in the next chapter.

This dearth of research on ethnic small business contrasts with the USA and Great Britain, where much effort has been put into studying the topic, leading to a highly-developed and fascinating body of literature (summarised in Holton 1988, Waldinger 1986, Tait *et al.* 1989).

In view of the virtual lack of Australian research and the evident importance - both in sociological and in policy terms - of the topic, we decided to concentrate our empirical research on ethnic small business in Marrickville and other parts of Sydney. One major part of our research was 165 in-depth interviews with NESB owners of small businesses, of whom 30 were Greeks, 36 IndoChinese, 46 Italians, 35 Lebanese and 18 Latin Americans. The first two groups tended to be concentrated in Marrickville, while many of the Italians were based in Leichhardt. Each ethnic business was asked to respond to a 52 question survey [see Appendix]. The aim of these exhaustive interviews were:

- to obtain information about the nature of migrant-owned businesses
- to investigate the personal characteristics of the owners
- to look at inter- and intragenerational mobility paths (i.e.to find out whether small business owners had done similar work before migration, to look at the socioeconomic status of their parents, and to examine the educational and occupational perspectives of their children)
- to look at the interaction among ethnic small businesses (do they form networks?)
- to examine interaction between ethnic small business and the rest of the economy.

A second part of the research project involved a short survey of over 1000 small businesses in the retail areas of Marrickville. This collected information about the nature of the business and birthplace of owner, how long the current owners had been there, and the nature of business and birthplace of the previous owner.

The detailed findings of this empirical research, presented in Chapters 6 and 7 form much of the substance of this Report. They are put into context by an overview of theoretical issues and literature in Chapter 2, and an account of methodology in Chapter 3. Chapter 4 provides a general examination of economic restructuring and its effects on migrant workers, while the growth of the small business sector is reviewed in Chapter 5.

The Report thus retains the original aim of showing how processes of industrial and organisational restructuring are affecting the work situation and life chances of migrant workers. But it goes beyond that to concentrate on the little-researched phenomenon of the shift of migrant workers from wage labour to small business. Although we can draw on international literature for research questions and methods, the empirical work and its findings is treading new ground for Australia. We hope our findings will encourage debate and further work.

2. ECONOMIC RESTRUCTURING AND ETHNIC SMALL BUSINESS: ISSUES AND LITERATURE

2.1 The Global Milkbar and the Local Sweatshop

The phenomenon of ethnic small business cannot be adequately captured within the restricted framework of a single discipline. The liberal economist would examine it in terms of entrepreneurship and competitiveness; the political economist as a case-study of predatory and parasitic relationships between the petit-bourgeoisie and monopoly capital; the social geographer would point to its role in renewal of inner-city areas desolated by shifts in industrial and residential siting; the sociologist would emphasise the interlinked dimensions of class, culture and gender, while the political scientist would look to the emergence of ethnic elites and their role in city politics. All these ways of seeing ethnic small business are useful but insufficient. The emergence of ethnic small business in Australia's cities is part of a global process of change which can only be grasped through a concept of the totality of the world market and its local effects.

A centuries-old trend has been reversed: in pre-capitalist times the great majority of the working population were small independent producers. Since the industrial revolution, the share of the self-employed has steadily declined, as production units grew larger and most economically-active people became wage workers. The petit-bourgeoisie appeared destined for extinction: the small peasant farm, the corner retail store and the independent artisan all seemed to be on the way out, and this process gained in impetus during the post-1945 economic boom. But since the 1970s, the end of the long boom, this historical process has been turned around: the self-employed and the small employers are growing in number and in economic importance in most advanced countries.

In the USA for example an average of 600,000 new businesses have been incorporated annually in the 1980s, compared with 365,000 per year in the 1970s and 205,000 in the

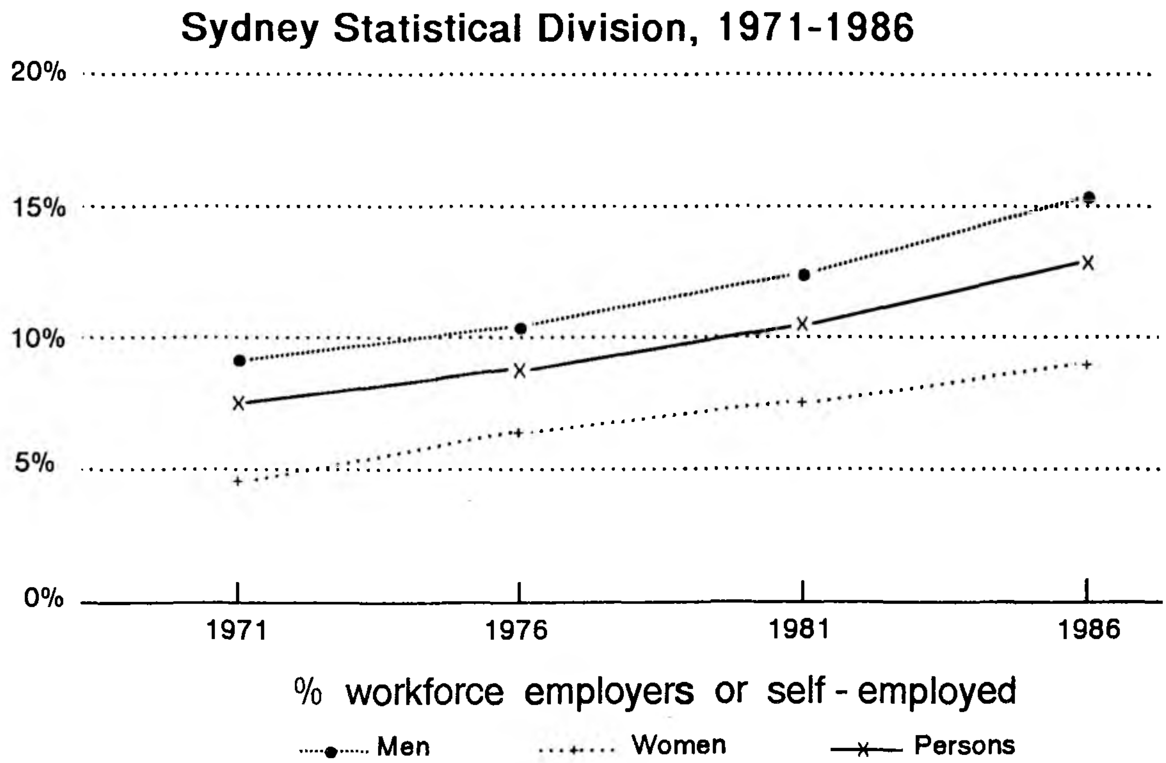
1960s, and these figures do not account for the up to half a million even smaller businesses started each year without incorporation. Businesses with less than 100 employees are credited with creating more than two-thirds of new jobs in the USA in the first half of the 1980s, according to the Small Business Administration (New York Times 17 April 1988).

The old industrial towns of East Pennsylvania, blighted in the 1970s by the decline of the giants like Bethlehem Steel and Mack Trucks, are reviving in the 1980s through the efforts of thousands of small companies. It was because of development like these that the US unemployment rate was down to 5.5 per cent in mid-1988 - the lowest level for many years, despite the labour-force cutbacks of the big corporations (New York Times 1 May 1988).

Similarly in Western Europe, the historical decline of small enterprises appears to have bottomed out in the early 1970s. In 1978, European Community statistics showed the first slight increase (from 11.83 to 11.85 per cent of the labour-force) in the proportion of small employers, self-employed and family workers since the formation of the Common Market. In Britain the number of manufacturing establishments with less than 11 employees fell from 160,000 in 1930 to 38,000 in 1970, but by 1976 the number had increased sharply to 57,000. Britain has the smallest proportion of small firms in the Common Market, yet 10 per cent of the working population run their own enterprises, and just under half the labour force work in units employing less than 100 people (Boissevain 1984).

Australia, and specifically Sydney, is following this international pattern. In 1971, 7.6 per cent of Sydney's workforce were classified as self-employed or employers (Figure 2.1). This grew steadily to 9.0 per cent in 1976, 10.1 per cent in 1981 and 12.7 per cent in 1986 (ABS small area census statistics). In 1986, an estimated 15.4 per cent of Sydney's male workforce were employers or self-employed, compared to 8.9 per cent of the female workforce. The growth was more rapid in the 'self-employed' category (up 113 per cent in 15 years) than in the 'employer' category (up 71 per cent in the same period). This may reflect a faster growth for very small businesses, in which the owner is also the worker, than for larger businesses where the owner has employees under his or her control. Between 1982 and 1987 the number of 'employers' in Australian manufacturing actually fell, but the number of 'self-employed' increased. The growth was most marked for women, which may be explained by the growth in outwork (Castles, Morrissey and Pinkstone 1988: 19).

Figure 2.1 **Increasing self employment:**



Source: Population Censuses

How many small businesses there are is a matter of debate (Strahan and Williams 1988: 4). Brian Johns has estimated that 40 per cent of private sector employment in 1980 was provided by small business (Holton 1988: 8). Williams estimates that in 1986 the number of small businesses was between 730,000 and 750,000, of which 580,000 were non-rural enterprises. He asserts that 65-70 per cent of the total non-rural civilian labour-force are accounted for by the small enterprise sector (Strahan and Williams 1988: 7). Chapter 5 provides a fuller account of small business in Australia, and particularly ethnic small business.

This leads on the important question: What sort of jobs are being created by small business? Is self-employment and small business a road to independence and higher status, or does it veil new forms of dependence and exploitation? The growth of outwork - which generally means low wages, poor working conditions and insecurity - has been observed not only in Australia, but also in Western Europe and the USA (Waldinger 1986, Mitter 1986, Phizacklea 1987). Many other small business jobs are little better: As the old highly unionised plants with high wages and hard-won fringe benefits wind down, the new jobs are typically insecure, without career structures, offering little in the way of sickness insurance or pension rights (New York Times 1 May 1988). Much of the new employment targets groups lacking educational or vocational credentials, or disadvantaged through social factors: school leavers, married women and members of ethnic minorities. Shift-work in all night supermarkets, casual employment by fast-food chains, or low-skilled assembly in small sub-contractors' workshops set the pattern. Part-time work is becoming more widespread, and as wages decline, two incomes become the norm for family survival.

The renewed growth of small business in industrial countries is a global phenomenon, however small-scale and local it may appear to be. And the role played by ethnic minorities in this revival is equally universal. Between 1945 and 1973 (and later in some cases) virtually all advanced industrial countries recruited low-skilled workers - whether they came as permanent settlers, as a quasi-citizens from the former colonies, as illegal border crossers or as 'guest-workers' from the under-developed periphery - to fuel the last phase of manufacturing expansion. In the 1970s and 1980s the direction and character of flows of capital, labour, raws materials and manufactured commodities has changed radically. Labour migration to the metropoles has not ceased, but its volume has fluctuated, its composition has altered and the economic roles of ethnic minorities (both new and old) have shifted.

On the one hand, countries like Australia, Canada and the USA scramble to attract the skills and capital of fast-growing Asian countries, though points systems and business migration programs. On the other hand, certain migrant workers - particularly the recently arrived and those belonging to disadvantaged groups such as illegals, destitute refugees and women - still provide much of the labour for the low-skilled manufacturing, construction and service jobs shunned by locals (Collins 1988, Sassen 1988, Bolaria and Li 1988). But in addition, they seem to have taken on the role of providing small-scale entrepreneurship which is too risky, too arduous or too poorly remunerated to be attractive to local people who have the option of waged or salaried work, or even the dole. Can it be that the marginal worker has become a marginal entrepreneur?

This role is not altogether new, but it is becoming more general. Taxis seem always to have been driven by migrants - from the Russian emigrés of Paris in the 1920s to the Iranians, Pakistanis or Poles of New York and Sydney today. London is the exception, where a guild-like organisation keeps the black cabs - but not the despised 'mini-cabs' - in the hands of natives. Even in the German Federal Republic, where 'guestworkers' were never meant to become entrepreneurs, the Greeks control the fur trade and a large proportion of the restaurants, while the Turks have found an 'ethnic enclave' in the manufacture and distribution of romantic videos of the 'arabesque' genre.

Restaurants are always a first niche for migrant entrepreneurs: each Third World political crisis creates a new source of culinary enjoyment for the cosmopolitan middle classes of the wealthy countries. The reasons for migrant entry in both the cases of taxis and restaurants are obvious: initial capital outlays are relatively low, the capabilities needed (driving, cooking) are fairly general and easily acquired, the economies of scale in the industries are low, so that they are not attractive to big operators. We shall return to these points (discussed by Waldinger 1986) below.

The Greek milkbar, the Italian fruiterer, the German baker are part of postwar urban culture in Australia. Today the fish and chips are more likely to be served up by Lebanese, while the baker has been replaced by the Vietnamese hot-bread shop. In New York City, the rag trade was Jewish from the turn of the century; today the same loft-factories are run by Chinese and Dominican entrepreneurs (Waldinger 1986). In London's East End the Jewish garment manufacturers have been replaced by Bengalis (and the synagogues have been transformed to mosques). If the earlier groups are still in business, they may have moved up-market, into speciality restaurants, boutiques or travel agencies. But the descendants of the Jews who first fled Czarist pogroms and then Nazi concentration camps are more likely to be professionals and executives than owners of small businesses.

This points to a social function of small business for immigrants: it may be a path to upward mobility, when other channels are blocked. Language difficulties may prevent entry to white-collar employment for the migrant generation. Legal discrimination may block certain forms of work: for instance immigrants in the German Federal Republic find it almost impossible to obtain citizenship, yet this is the precondition for employment in millions of public sector jobs. Or racism may bar educational mobility (Harvard University and even New York's Columbia put quotas on Jewish students in the early part of this century). Small business allows the accumulation of capital by one generation to ease the upward mobility of the next.

The Greeks and Vietnamese we interviewed in Marrickville were willing to work appallingly long hours, and to use the combined efforts of the whole family to give their children a chance to gain a university education. The aim of small business success is thus often to move out of business and become a professional or white-collar worker. Some sociologists point to the cultural dominance of the patriarchal family structure of some migrant groups in providing the cheap (or free) labour power, which gives ethnic business a competitive edge. But if migrants take an intergenerational rather than an individual time-scale as their perspective, this 'self-exploitation' may in fact be a rational economic strategy for success in a new society.

2.2 Two Theoretical Perspectives

In order to make sense of the phenomenon of migrant small business, it is useful to approach the topic from two rather different perspectives, which are generally described as 'macro' and 'micro'. 'Macro' questions relate to the nature of self-employment, the pressures and opportunities which foster entrepreneurial activities, and where small business fits into larger patterns of economic development. 'Micro' questions focus on the individuals involved in the process; their experiences and motivations. It is very hard to account for the persistence and development of small business without examining what is happening in the broader economy. But it is hard to appreciate the attractions and pitfalls of small business if the human dimension is ignored.

The macro approach involves looking at questions such as these: Why is 'self-employment' (as measured by official statistics) increasing? What role does small business play in providing jobs and services for migrants? How is the expansion of small businesses related to the restructuring of the economy? Where do the small businesses of different ethnic groups fit into these changing patterns?

The micro approach involves a different set of questions. Why do individuals, particularly migrants, go into small business? What differences are there between various ethnic groups and how are these to be explained? What sort of opportunities does it provide both for the individuals and their families? What working conditions and market pressures do small entrepreneurs face?

Although there has been little research on this topic in Australia, a substantial body of literature exists in other countries which deals with migrant small business (variously referred to as minority business, ethnic business or immigrant business). Some of it refers to particular industries (e.g. clothing), or types of operation (retail shops), or particular type of relationships ('middlemen'). Some of the groups discussed are indigenous or long-established groups (Jews in New York, 'Black capitalists', Chinatown residents), while others are recently arrived groups (Cubans in Florida, Koreans in Atlanta, Indians in Britain, Surinamese in the Netherlands).

Much of the American literature focuses on micro-level questions, specifically why some groups are more likely to get into small business than others, and with what levels of 'success'. Models have been developed to measure the relative contribution of different factors such as cultural predispositions to business or discrimination.

Another body of literature addresses the wider structural questions of how places are created within an economy and how labour is recruited to fill those places. Some of the relevant processes examined are the emergence of global production, marketing and financing, development of new markets and products, and technological changes which facilitate decentralised production.

These two sets of literature are reviewed below, drawing out some of the major implications and hypotheses for migrant small businesses in Australia.

2.3 *Theories of Immigrant or Minority Enterprise*

There is a rapidly growing literature about the small business activities of minorities. President Nixon set up a President's Council to investigate the topic (Doctors and Huff, 1973). This examined, amongst other things, whether fostering black capitalism would reduce socioeconomic inequalities, and reduce unemployment amongst disadvantaged groups.

Much of the debate focuses on why some groups get into small business and others do not, and which groups are more successful. Wilson and Allen (1982) compare Cuban and Black businesses in Miami, arguing that Cubans are more successful because they developed a relatively closed enclave economy, whereas Blacks were more integrated into the larger economy. Mohl (1985) compared Cubans and Haitians, and suggested that Cuban refugees reestablished their middle-class positions in Florida using the capital they brought with them, and had a large client base. Haitians had neither capital nor a large ethnic base to service.

Bonacich and Modell (1980) classify the main reasons why migrants go into small business into three groups: cultural, structural and situational. These reasons are also used to explain why particular ethnic groups are more likely to go into business than others, and some do better than others. Most explanations combine different elements of the three approaches.

'Cultural' explanations emphasise the 'cultural resources' or 'predispositions' which may lead to business success. Sombart argued that Jews were culturally well-suited to capitalism, and consequently tended to move into business activities. In response to this (Waldinger, 1986:6), Weber developed his famous argument about the 'Protestant ethic', suggesting that Protestantism was the ideological basis of capitalist development. Petersen argues similarly for Japanese cultural predispositions (Petersen, 1971).

One of the ingredients of this cultural identity which encourages business activity was reported to be individualism (Weber, 1958). Business success was linked to personal thrift and diligence. Another variant of the argument suggest that groups with a collectivist orientation have a marked advantage (Cummings, 1980). Ethnic groups which pooled their resources and skills were more able to get businesses established. The willingness of families to work long hours for little or no pay is one such resource (Cummings, 1980); saving schemes such as revolving credit associations are another (Bonnet,1980; Light, 1973). Individualist tendencies appear to be more common amongst groups with formal skills and educational resources, while collectivist orientations are found more amongst groups without those assets (Light, 1984).

Language ability is one of the cultural assets which open up or restrict opportunities. Ability to speak English is argued to be more important for IndoChinese settlers in avoiding unemployment than length of residence or health status (Strand, 1984). Waldinger suggests that in some environments Indians are more likely to enter white-collar employment than others from non-English-speaking backgrounds (like Koreans).

One cultural characteristic which is sometimes attributed to migrants is willingness to accept lower incomes than other residents (Coghlan, 1891). If the frame of reference is their country of origin, the returns from small business and the long hours required may seem relatively attractive (Light, 1984: 200). This willingness might of course be the result of lack of current alternatives, rather than of cultural predispositions.

The structural arguments focus on the need for certain economic activities at particular times. Niches or opportunities develop which some migrant groups are able to take advantage of. This might including acting as 'middlemen' between dominant and subordinate groups, roles which are characteristic of many colonial societies: Indian traders in British African colonies or Chinese in Southeast Asia. A similar pattern is found in some contemporary societies where ghetto shopkeepers might be Jewish, Chinese, Korean etc., arguably because of a wide status gap between whites and blacks (Bonacich and Modell, 1980: 26). The dominant role of middlemen minorities in trade or finance may lead to hostility towards them. This in turn pushes the minority further into an enclave position *(Ibid)*.

The presence of ethnic enclaves itself provides opportunities for ethnic business to develop to serve the needs of compatriots. Wilson and Martin (1982) suggest that the size of the Cuban community in Florida provided a good base for numerous businesses to flourish. Waldinger argues that for most ethnic businesses, 'success' requires transcending the bounds of the ethnic enclave (1986: 21). The presence of an established community of compatriots may channel new migrants into particular small businesses (Greeks into pizza shops: Lovell-Troy, 1982); or various types of sub-contracting and insecure jobs (Ong, 1984).

There are certain sorts of activity which migrants are most able to enter (Waldinger, 1986: 23-25). These include those where there are low economies of scale (such as taxis), where combining units does not produce major gains in efficiency; where entry costs are low (building repairs); which are unstable or unpredictable (fashion garments); where the markets are small or differentiated (retail grocery in ghetto areas).

Situational explanations emphasise the relationship between cultural or social characteristics of groups and the circumstances of their arrival and settlement. Some 'ethnic solidarity' is actually produced by living in a strange environment in the face of hardship or discrimination, and is not part of a groups 'cultural baggage'. Light refers to this as 'reactive solidarity' which he says 'required alien status to liberate' (1984: 200). An early use of this type of argument was Simmel's notion of the 'stranger' as trader; the very fact of coming in as an outsider allowed strangers to act rationally in the marketplace without being bound by conventions, personal obligations and responsibilities. More generally, it is argued that the nature of 'ethnicity' is constructed and shaped as part of a negotiation process (Herzog, 1984). Ethnic boundaries (which define the scope of ethnic solidarities and enclaves) are constructed differently according to the particular situation (Woon, 1985; Tienda and Ortiz, 1986). There may be important gender differences in the process of adjustment and development of 'immigrant' identities: Turkish women in Denmark find their social position downgraded (Mirdal, 1984), and the development of a small business role may be one way to re-establish some social standing.

The willingness of a host country to accept overseas training and qualifications affects the ability of migrants to continue professional or specialist careers. A restriction on job opportunities results in greater concentration on the sorts of work where barriers to entry are lowest. For migrants without skills, this may lead to factory or labouring jobs, or unregulated and low-wage outwork (Sassen-Koob, 1985). For migrants with qualifications, the status discrepancy associated with being a factory worker under constant supervision may be too great, and self employment might appear a way of resolving the discrepancy. The role of a small boss might also be ideologically preferable to that of an important underling (Boissevain *et al.*, 1984).

There has been extensive study of the labour market experience of migrants in Australia. Analysis of occupational and industrial patterns shows that migrants from non English-speaking countries tend to be overconcentrated in the manual semi-skilled and unskilled jobs on the manufacturing industry and services sector in both the male and female labour markets and are the lowest paid (Collins 1988, Lever-Tracy and Quinlan 1988, Bureau of Labour Market Research 1986). Immigrant workers born in non English-speaking countries experience disadvantage and discrimination in Australia, though there is disagreement as to the extent and causes of this labour market disadvantage (Castles *et al.* 1986, Collins 1988, Evans and Kelley 1986, Chapman and Miller 1986). Nevertheless, there is agreement that many immigrants do not succeed in having their work qualifications recognised in Australia, so that they suffer personally in terms of downward occupational mobility and the nation in terms of untapped human capital (Collins 1988, Castles *et al.* 1990). A National Office of Overseas Skills Recognition was established in 1990 to redress this situation.

In contrast, very little research has been done on the background to ethnic small business in Australia, nor on the characteristics of ethnic entrepreneurs. Aspects of the enclave economy have been studied by Evans (1987), while Collins (1988, 1989) has established from Census data the over-representation of many immigrant groups in the Australian small business sector.

The major work to date is that based on Professor A.J. Williams' longitudinal study, as reported in Strahan and Williams (1988). The study examined the reasons for business success or failure of 13,449 businesses, with 22,034 owner/managers between 1973 and 1985. Of these enterprises, 2,130 were run by 4,113 immigrant owner managers. Small businesses were defined as those employing up to 50 persons, which were owner managed and independent, and had only a small market share. The data for the study was provided by 'mentor organisations' (generally banks), approached by the small entrepreneurs for credit facilities or other assistance.

Strahan and Williams do not provide a break-down of their sample by birthplace. Entrepreneurs of English-speaking and non-English speaking background are lumped together. This makes it difficult to compare Strahan and Williams' results with those of their study, or with international literature.

Strahan and Williams present a 'profile of immigrant entrepreneurs', which indicates that these had on average less formal education, but more occupational experience than non-immigrant small entrepreneurs in Australia. Only a minority of the immigrant entrepreneurs had previous management experience or training. The overwhelming majority (94 percent) are men. The study also showed the importance of family support, which is especially significant in view of the fact that the overwhelming majority (99 per cent) of immigrant businesses with more than one owner are family-owned and run, compared with only about half of those in the general sample. The study then goes on to examine personal characteristics such as 'role perception, 'people and work orientation', 'task and achievement motivation' and so on. The findings in this area are not very different to those for Australian-born small business people, and are hard to interpret.

The analysis of the characteristics of enterprises is of greater interest. To start with, it shows that extremely few enterprises are jointly owned by immigrants and non-immigrants. The distribution of immigrant enterprises by industry is fairly similar to the general pattern, except for slight underrepresentation in the primary sector and manufacturing, and overrepresentation in the retail and services sectors. Immigrant entrepreneurs make substantially less use of credit to finance their firms than Australian-born business-people, relying more on equity capital. This indicates a willingness to live frugally in order to save. Immigrant owners-managers were generally poor financial record-keepers and were also below par in the area of business planning. On the other hand they were found to be good at updating technological and product knowledge and reviewing sales and marketing effectiveness.

One of Strahan and Williams' most interesting findings is that, although immigrant enterprises generally start off on a smaller scale, those that survive after five years grow faster and are more profitable on average than non-immigrant owned firms. In summary the growth dynamics of immigrant-entrepreneur owned firms were quite exceptional. Enterprises owned by immigrant entrepreneurs employed 20 per cent more people, generated 25 per cent more sales revenue, enjoyed five times more profit and generated four times more cash flow than firms generally by the end of the study period. (Strahan and Williams 1988:40).

The study also found that immigrant entrepreneurs were more self-critical and willing to see their problems as their own responsibility, while other small business people more often blamed external factors (such as government or the unions) for difficulties. The immigrant business people appeared on the whole more successful than non-immigrants. For the period 1973-84, 41 per cent of the immigrant enterprises in the sample failed within the first 3 years and a further 5.1 per cent failed later; 53 per cent survived. In the general sample (immigrants plus non-immigrants) 47 per cent failed within the first 3 years, a further 6 per cent failed later on and 47 per cent survived.

Strahan and Williams conclude that there is strong evidence on the success of immigrants in running small businesses in Australia, and that they make an important contribution to the economic well-being. They recommend a series of measures to assist ethnic small business people through management and financial advice services, training and other support services.

2.4 Economic Restructuring and the Incorporation of Migrant Labour

Economic opportunities and constraints for ethnic minorities are largely determined by what is happening in the wider economy. In Australia in 1947 over one half of Greeks, Poles and Italians in the workforce were either self-employed or employers. So too were over one third of Germans, Maltese and Yugoslavs, although only one fifth of the Australian-born were in this category (Collins, 1988:93). However, most NES migrants who arrived during the post-war period were to be employed as wage labourers. During the period of rapid growth in manufacturing employment which characterised the post-war long boom, the migration cohorts who settled in western industrialised countries were incorporated into factory work and other 'unskilled' jobs (Castles and Kosack, 1973; Collins,1975; Storer, 1983). The level of domestic protection meant that firms were frequently more labour-intensive than they would have been in a more competitive environment. In Australia, labour shortages, in infra-structure projects such as the Snowy Mountains Scheme, as well as in heavy industry and other manufacturing branches, provided ready employment for many recent settlers. Most migrants started their Australian working life in this type of work. At this time the urban petit bourgeoisie was steadily declining in relative size. Nonetheless, some migrants managed to find niches, providing specialised goods and services, often replacing upwardly mobile Anglo-Australians. The growth in population, produced in part by immigration, maintained demand for housing; and the low levels of startup capital required allowed many migrants (particularly Italians and Germans) to organise small businesses in this area. Some groups (Asians and Eastern Europeans) included disproportionate numbers of professional workers (such as doctors and dentists), who frequently found work in their area of expertise.

The economic locations which migrants could fill changed considerably during the period of economic restructuring which followed the post-war long boom. Firms are faced with several options for cutting costs in such a period (Massey and Megan, 1982); each has important implications for the way labour is incorporated in the production process. They may invest in labour-saving technology, close down inefficient units, or squeeze more out of the existing workforce. All of these mean fewer or worse jobs for people without recognised credentials. Fewer factory jobs have opened up, so recent migrants have found it harder to get manufacturing employment. As the services sector has grown, there has been a trend towards polarisation: the highly-qualified jobs in the financial, management and professional sectors have gone largely to workers born in ES countries; lower-status services occupations have been filled by migrants from NES countries. Many such migrants have become incorporated into the economy in a variety of sites as self-employed workers. Such work is often organised as part of informal sector, with deregulated working conditions and employment relationships. For other migrants, unemployment was an increasingly common experience.

This restructuring is taking place within an increasingly global context (Sassen-Koob, 1985; Friedman and Wolf, 1982; Gibson and Graham, 1986). The process has been a complex and contradictory one. On the one hand there has been an increasing centralisation of ownership and control of production on an international scale (Frobel, Heinrichs and Kreye, 1980). On the other hand new decentralised spatial structures of production have emerged, with multiple sourcing and the global deployment of workers, machinery and even raw materials to the most profitable sites (Gibson and

Graham, 1986). On the one hand Sydney has acquired the banking and financial functions of a 'world city'; on the other hand it has experienced a growth in unregulated jobs typical of many Third World economies.

One characteristic of production organised by global capital is the fostering of small, highly competitive subcontractors (Holmes, 1985; Friedman, 1977). The production site may be the home (Murray, 1983: Rainnie, 1985; Phizacklea, 1985; Mitter, 1986). Through subcontracting to smaller production units and outwork, the major centralised producers enhance their competitive position - overheads are reduced, wage bills cut and a more flexible control over production is attained. This form of 'self-employment' does not represent a return to control by small entrepreneurs or a breakup of large monopolies, but an efficient form of production for global capital.

2.5. Economic Restructuring and Australian Immigration.

It is important to briefly consider underlying cyclical and structural trends in the Australian and NSW economy which might influence the labour force options of migrant workers in NSW. For the three decades from the Second World War to the mid 1970s, the Australian economy experienced sustained economic growth, full employment and price stability. While there were occasional cyclical fluctuations, such as the 1961 credit squeeze and downturn, the Australian economy continued to experience economic growth and expansion in this period referred to as the 'long boom'. Unemployment rates averaged 1 to 1.5 per cent, prices rose at an average of 3 per cent per year. The 1950s and 1960s saw sustained foreign investment in the Australian manufacturing industry and, in the mid 1960s, in the mining industry.

Immigration was crucial in providing the labour for this period of economic expansion. NES immigrants in particular provided a source of labour for the unskilled and semi-skilled jobs in this period of manufacturing expansion, while ES immigrants were employed across the occupational and industrial spectrum. Immigration provided 60 per cent of the extra workers added to the Australian economy during this period. Moreover, 60 per cent of the population increase in these years was due to post-war immigration, so that immigration helped sustain economic demand in a boom largely built on the domestic consumption of consumer durables.

Since the mid 1970s, however, the Australian economy has been overshadowed by economic instability, with periods of economic recession interspersed with periods of rapid economic growth. While the average annual growth in real GDP was 3.4 per cent in the 1970s, unemployment and inflation became major problems in the Australian economy. Moreover, Gross Fixed Capital Formation slowed dramatically during the 1970s to 2.1 per cent real growth, sowing the seeds for a decline in the Australian manufacturing industry.

In 1974-75, the first international economic recession of the capitalist system since the Great Depression of the 1930s occurred. Within six months, almost all major capitalist economies were experiencing record post-war levels of unemployment and inflation, while economic growth was minimal or negative. While some of the major economies such as the United States and Japan recovered fairly quickly from this recession, the Australian economy recovered slowly. This was partly due to the uncertainty induced by the unexpected emergence of stagflation, the restrictionist, monetarist economic strategy of the Fraser Government and the underlying structural problems of the Australian economy. However, the major dynamic causing economic instability was international, rather than domestic.

In 1982-83, Australia was once again caught in the web of international economic crisis. Unemployment reached the highest levels for fifty years, with the unemployment rate 10.3 per cent in March 1983. The Australian economy recovered rapidly from this crisis - with economic growth averaging 4 per cent for the years 1984-1986 and unemployment falling to a plateau of around 8 per cent. In recent years, unemployment has continued to fall and is now less than 7 percent.

A major feature of the capitalist system since the Second World War had been the increasing internationalisation of trade, investment and other financial activities. This has integrated Australia, already closely tied into the world market through sales of its primary production, into a global system of trade and finance. The immigration policies further ensured Australia was integrated into global labour migration flows. This level of international interdependence meant that international crises had local consequences in Australia.

However, underlying structural problems of the Australian economy intensify the economic problems generated internationally. The most obvious manifestation of the structural problems of the Australian economy is the large current account deficit which has plagued the Australian economy in recent years. Part of the causes of the current account deficit lie in capital movements and debt payments accrued by the private and public sector. Another part relates to Australia's trade performance, particularly the declining terms of trade for Australian exports and the dependency on imports for a range of goods, particularly machinery, plant and equipment. The initial depreciation of the Australian dollar immediately following the December 1983 deregulation of the exchange rate under the new Hawke Government has not been able to overcome these underlying structural problems.

The problems of Australia's current account deficit are linked to another structural problem which dates from the mid 1960s. This is the decline of the Australian manufacturing sector. The 1975 Jackson Report into Australian manufacturing reported that there was 'a deep-seated structural malaise' in the manufacturing industry. The Jackson Committee laid much of this at the feet of declining foreign investment, suggesting that there had been little net new investment in Australian manufacturing since the mid 1960s (Jackson Report 1975). Since then the Australian manufacturing industry has continued to decline, with some 200,000 jobs lost in the last decade. Today the manufacturing industry employs less the 17 per cent of the Australian workforce (Ewer, Higgins and Stephens 1987). Some commentators have referred to this as the 'deindustrialisation' of Australia (Crough and Wheelwright 1982).

The problems of the Australian manufacturing industry have domestic causes. These include previous protectionist policy, the ageing of capital stock with little new investment, inability to gain economies of scale due to the small domestic market and inability to tap the export market.

There is also an international dimension. This is rooted in what is called the new international division of labour. Multinational corporations, the source of much of the initial post-war expansion of Australian manufacturing, changed their global investment strategies since the mid 1960s. Rather than investing and producing in the countries like Australia which were markets for their products, the multinational corporations switched new investment to locate manufacturing plants in Third World countries, where labour was cheap and other financial incentives irresistible (Frobel, Heinrichs and Kreye, 1980). Products were then to be exported to the advanced capitalist nations. Australian multinationals also followed this trend, closing down their Australian operations and relocating them 'offshore' (Ewer *et al.* 1987).

The upshot of this structural change was a decline in foreign and domestic investment in the Australian manufacturing. This was exacerbated by cyclical economic crisis in 1974-5 and 1982-3, which stimulated a restructuring of large manufacturing companies and which reduced the demand for manufactured products.

The problems of the Australian manufacturing industry are linked to Australia's current account deficit problems. The lack of import-replacement manufacturing industries producing the plant and equipment which dominated Australian imports means that Australia is locked into importing these goods, but at a much higher price because of the depreciation of the $A by nearly one third. While economic growth and profits in the period 1984-1986 were high, there was little increase in investment in plant and equipment. As a consequence, investment in import replacement has been negligible. New investment that does occur is largely capital intensive and labour displacing, so that even if the structural problems of Australian manufacturing are overcome through sustained investment, employment growth will not be large. It has only been in 1988 that investment levels appear to have increased in the manufacturing sector in particular and the economy in general. However, the $A has recovered substantially, perhaps stifling the restructuring of the manufacturing sector.

These structural problems of the Australian economy have a direct impact on Australia's current and future immigrants. The manufacturing industry has been a major employer of NES migrant men and women. In the clothing, footwear and textile industries, for example, 80 per cent of employees are NES immigrants. Manufacturing's decline is one of the major reasons behind the persistently high unemployment rates for immigrants from countries such as Vietnam and Lebanon. Moreover, there is a regional dimension to these problems. Structural change in the steel industry has led to labour displacement in Port Kembla and Newcastle. The Wollongong region has particularly suffered, with the Port Kembla steelworks the major employer. Mangan and Guest (1983:34) estimate that employment multipliers for the Illawarra region suggest that for every job lost in the steel industry 3.81 jobs throughout the economy would be lost. NES immigrants have borne the brunt of the unemployment in the Illawarra region. It is notable that the overseas-born population in the Illawarra region actually declined by 2.4 per cent in the intercensal period 1981-86.

In the clothing, footwear and textiles industry structural change is also eroding the employment base for NES migrant women. The Federal government is committed to reduce the high tariff protection in these industries. Increased unemployment and the growth of outwork will be the result. This will not only lead to many NES migrant women losing their jobs, but have an adverse impact on those regions and country towns dependent on the clothing or textile factory as the major employer. Increasing unemployment, and increase in part-time work, sub-contracting, out-work seem to be the inevitable consequence. Once again, the employment multipliers extend this problem from one industry to the region.

These structural changes not only affect newly arrived NES immigrants, who will find it hard to get work in declining industries, but also immigrants who have been in Australia for decades. As the Jupp Report (1986:51) put it:

> Changes in the economy and the manufacturing sector in particular, are disproportionately affecting immigrants who have been in Australia for a long period of time - some twenty years and longer. These middle aged and older immigrants are facing, and have experienced, retrenchment at a time when they are least able to adapt to or acquire new employment or...have had no occasion to acquire greater proficiency in English or new skills.

These problems of structural change of course have implications for all Australians. However, since NES immigrants in particular have had to bear the burden of economic recession and have not apparently been able to share in the fruits of subsequent economic recovery. In other words, the underlying structural change in the economy threatens the jobs of many existing immigrants, and erodes the employment base into which many future immigrants would be expected to be employed. While in the long-term the

Australian economy may be more efficient after structural change has occurred, in the short-term increased NES migrant unemployment is likely.

Even if the new injection of investment into NSW's manufacturing sector continues, the trend to increasing casualisation, sub-contracting, part-time and out-work would probably be increased, so that either way the NSW labour market - and in particular the opportunities for migrant workers - is currently undergoing substantial transformation.

The impact of structural change in the Australian economy and the corresponding restructuring of the international economy therefore has far-reaching implications for existing, and future, migrant workers in Australia. In the following chapters these aspects will be discussed in greater detail. In Chapter 4, the impact of structural change on the settlement patterns and labour force profile within New South Wales will be considered, while Chapter 5 outlines the corresponding recent trends in the small business sector in Australia, with emphasis on migrant small businesses in New South Wales. Chapter 6 looks at the same processes from the viewpoint of the Marrickville Local Government Area in Sydney.

We generally use the term 'ethnic' small business here. Other authors speak of 'immigrant' business or entrepreneurs. In the USA, the usual term is 'minority' business. For the purpose of theoretical discussion, the terms are more or less synonymous, and there is no need for painstaking definitions.

3. METHODOLOGY

3.1 Overview

Many different data sets and types of analysis were employed in this project. At least six different surveys or censuses were used, supplemented by special case studies of particular firms. Little direct information is available about migrants and their role in Australia's economic restructuring. Many of the existing sources had information either about small business, industry and the economy or about migrants, but not both. The manufacturing census, for example, collects details about employment, turnover and type of goods produced, but it does not obtain ethnicity data. It is valuable for finding out about small businesses, but not for describing the sort of people involved in the enterprises. The population census on the other hand has a range of ethnicity data, but does not allow identification of people either running or working in small businesses. Much of the argument about the role of migrants in business, and in the wider processes of restructuring must be made by inference, by looking at what is happening to a particular industry from one source, and seeing which groups were over- or under-represented in that industry from another source. However, in this study these inferences were supplemented by two special studies of migrant small businesses which allowed more direct linkages to be made between the businesses and the business owners, between experiences of displacement or retrenchment and the establishment of small business, between ethnic niches and global markets. The first of these surveys involved in-depth interviews with small business people from non-English speaking backgrounds in Marrickville, Leichhardt and Sydney's migrant belt. The second was a short survey of businesses in the retail areas of Marrickville.

3.2 Ethnic Small Business Survey

Some 165 small business owners from non-English speaking backgrounds were interviewed in this survey. The interviews took about an hour, and were conducted by latter approach did not work: it resulted in very high refusal rates, and unwillingness to answer questions which might be seen as sensitive. It was decided that in a largely qualitative survey, the problems of sample bias introduced by network-based sampling were less serious than the alternative problem of useless data from the alternative approach. Besides, the survey was designed to describe experiences and not to produce precise estimates.

Nevertheless, some attempts are made to use the survey data in a more statistical way, so a number of provisos must be entered to assist readers in interpreting the findings. A network approach will tend to capture those who form part of the network. Small business people who are relatively isolated (perhaps because they come from an ethnic minority or different region from other migrants) are probably under-represented in our sample. Small business people who are considered models by their compatriots are probably more likely to be included, whereas firms which are about to go bankrupt are probably under-represented. Services which are fully legitimate are more likely to be included. Firms which cater for obviously ethnic markets could be more visible than ones including Anglo partners or aiming at more general markets.

3.3 Analysis of Official Statistics

General trends in the population and employment structure of NES migrants in Australia, NSW, Sydney and Marrickville were obtained from analysis of ABS official statistics. The following ABS sources were used:

3.3.1 Census of Population and Housing, 1933 to 1986

The ABS population census is a five-yearly survey of individuals enumerated at their census-night residence. People are grouped into families and households, and data are collected about a variety of personal characteristics including ethnicity, language, occupation, industry and status of worker (whether employer, self-employed etc.). Information from the population census was used in a variety of contexts in this study. Small area data for Marrickville were used to show the changing industrial complexion of the area's resident workforce from 1933 to 1986. A similar comparison was made between those working in the municipality between 1971 and 1981. Data from recent censuses were used to examine the ethnic characteristics of the resident population. The 1 percent sample file from the 1981 census was used to test whether self-employed people born in non-English speaking countries were over-qualified relative to other self-employed people. Extensive use was made of cross-tabulations of ethnicity by various work-related characteristics for NSW.

3.3.2 Census of Manufacturing Establishments

The units surveyed in this ABS census are establishments, not people. Data are collected about the goods produced, number of workers, wages and salaries paid by each establishment in manufacturing, so this census is useful for monitoring the changing size of firms in each manufacturing industry. Data are available in a consistent form for almost every year since 1969, so these are used for Marrickville where possible, otherwise the statistical sub-division. Further information about stocks, capital expenditure and value added is obtained for firms with 4 or more workers. Because annual data can be obtained for most of the period under study, the impact of restructuring on Marrickville's industrial workforce can be located more precisely than from the five-yearly population census.

3.3.3 Census of Retail Establishments

Two ABS retail censuses had enough information to be useful in this study, those of 1979-80 and 1985-86. Like the manufacturing census, these censuses are based on establishments. Data collected include products sold, persons employed, turnover, floor space and weekly trading hours. The census allowed the changing composition of Marrickville's retail sector over the 6 year intercensal period to be identified, and a comparison to be drawn between the size of firms in Marrickville with those in similar branches of retailing in the newer western suburbs.

3.3.4 Labour Force Survey

The monthly ABS population survey includes a labour force survey and a series of supplements. This survey was used to look at changing self-employment and unemployment rates by birthplace.

3.4 Marrickville Industry Survey

In 1985 the Marrickville Council undertook its own industry census of businesses in the areas zoned for industrial land use in the municipality. The survey was conducted by workers on a Commonwealth Employment Program project but the information gathered was not analysed. The Town Planning Department of the Council gave us access to all the questionnaires, which we coded and analysed using the LOTUS 1-2-3 spreadsheet package, and SAS, a statistical package.

The survey collected information on type of business, level of employment, ethnicity of the workforce, residence of the workforce (whether in or out of the municipality) and a range of other details concerning parking requirements and floor space. In total 586 establishments were surveyed of which 313 were clearly manufacturing establishments. The ABS Manufacturing Census conducted in 1984-85 found 954 manufacturing establishments in the Marrickville LGA, so the survey seems to have covered only about a third of the manufacturing establishments in the municipality. The discrepancy between the two reflects in part the greater expertise and legal authority of the ABS in getting information. But it also reflects the dispersal of small manufacturing firms in the municipality away from the major industrial areas. As an old inner city area, land uses are not clearly demarcated the way they are in newer suburbs, and the council does not see enforcement of zoning rules as a high priority.

The council survey, despite its limitations, does show the extent of ethnic concentration in each industry. Thus it provides a valuable supplement to the manufacturing census, which has no information about the ethnicity of the workers.

As well as analysing the Marrickville Council Survey its findings were updated in 1988 by a field survey of all the industrial addresses contained in the 1985 survey. Note was taken of where businesses had closed, changed function, or new businesses had been established. This data has not been analysed for this report.

3.5 Case Studies of Large Marrickville Firms

The surveys of ethnic small business allowed examination of one of the major sources of jobs for increasing numbers of workers. The other part of the picture was the declining job opportunities offered by larger firms. In order to get a more balanced view of the changing employment structure of Marrickville, case studies were done of four of the firms which had been major employers in the municipality. These case studies give some historical specificity to the saga of manufacturing decline documented by the manufacturing census. They allow economic restructuring to be understood not simply as job loss, but as the reorganisation of production processes, ownership and location of firms.

The case studies involved accessing local histories of industry and employment, and company searches at the Corporate Affairs Commission and Sydney Stock Exchange.

3.6 Marrickville Retail Survey

As part of this project a survey of small businesses in the major shopping areas of Marrickville municipality was organised. Geography I students from Sydney University conducted the field survey and interviews as part of their research methods coursework. The major object was to determine the detailed industry, and ethnicity of the owner of each small business and of the previous owner. Businesses which were obviously part of larger corporations (e.g. banks, supermarkets, fast food chains) were not surveyed.

In total 1,012 businesses were surveyed in the main shopping areas of Parramatta Road, Dulwich Hill, Enmore Road, King Street, Marrickville Road, Illawarra Road, Marrickville Metro, Stanmore, Sydenham, Petersham and Addison Road. Ethnicity data was obtained from 793 establishments of which 543 were retail establishments and 250 were non-retail small businesses such as dry cleaners, medical practitioners and hairdressers. The ABS Retail Census conducted in 1986 found 954 retail establishments in Marrickville LGA, so it appears that our survey covered almost 60 percent sample of all Marrickville retailers.

As with the council industry survey, the apparently low response rate is something of a puzzle. A high refusal rate is not the answer, because interviewers filled out the name and business activity for all firms in scope of the survey. One explanation may be that there are a substantial number of chain stores or franchises in the area. The strip of Marrickville Rd in the Marrickville shopping area alone has a McDonalds, a Tandy store, a BBC hardware store, a Raine and Horne real estate agent, a Bi-Lo supermarket and a Coles variety store. An additional reason is that small retail firms (as with small manufacturing firms) are rather dispersed. Some are in residential areas, while others service the industrial areas.

The questionnaire used was very short and was administered to either the shop owner or an employee. Ethnicity was established by asking in which country the owner was born. Information about those who were born in Australia of foreign parents and who are still part of an ethnic community was not obtained.

4. MIGRANT WORKERS IN THE CHANGING NSW LABOUR MARKET

4.1 The Immigrant Population

Migrant workers have contributed substantially to the post-war population growth and economic development of Australia and its largest state, New South Wales. In the postwar period 1947-72, the period of the 'long boom', migrants filled six out of every ten jobs created. More than half the state's recent population increase has been due to migration (Hugo 1986: 93). Some 38 per cent of New South Wales' 1986 population of some 5.4 million were born overseas or had a parent born overseas (Table 4.1).

Table 4.1 First or Second Generation Migrants, NSW, 1986

	1st generation	2nd generation	Total	Percent of NSW population
Other Oceania	96,739	64,586	161,325	3.0
UK and Ireland	325,530	428,711	754,241	14.0
Southern Europe	215,731	184,889	400,620	7.4
Other Europe and USSR	147,757	117,557	265,314	4.9
Western Asia (Middle East)	73,036	51,463	124,499	2.3
Other Asia	172,493	48,587	221,080	4.1
South America	28,621	7,845	36,466	0.7
Other America	24,553	14,292	38,845	0.7
Africa	41,822	21,093	62,915	1.2
Total	1,126,282	939,023	2,065,305	38.2

Note: second generation were estimated from mother's birthplace or if mother born in Australia, from father's.

Some eight per cent of the 1986 NSW population were born in other English speaking countries, another 4.5 per cent in Asia or the Middle East, 4 per cent in Southern Europe, and 2.7 per cent in 'Other Europe and the USSR'. So of the overseas born population, almost two-thirds came from non-English speaking countries. In numerical terms that means that about 700,000 residents of NSW were born in non-English speaking countries, while more than 500,000 had one or more parents born in a non-English speaking country. This results in a range of community languages used by NSW residents.

Altogether almost 800,000 people spoke a language other than English at home (ABS 1986 census small area data). These included Italian (110,000), Greek (93,000), Arabic (78,000), and Chinese (63,000).

Migrants to NSW are more likely to go to Sydney than other parts of the state. In the Sydney region just under 1 million of Sydney's 3.36 million people, or 28.9 per cent, were born overseas. In the Illawarra region there were 73,000 overseas born in 1986, who comprised 23.8 per cent of the region's population. In the Hunter region there were just over 50,000 overseas-born in 1986, comprising 11 per cent of the Hunter population.

Sydney has a higher share of most birthplace groups than the NSW average. For example, Sydney has nearly 50 per cent more Asian-born than the NSW average, the greatest divergence from the State birthplace profile.

Over the decade 1976-86, the total overseas-born in NSW has increased by 22.3 per cent. Most notable is the large increase in Vietnamese, from a very small base in 1976. Furthermore over the decade the number of persons born in New Zealand increased by 100 per cent, the Lebanese-born by 64 per cent and Polish-born by 27 per cent. On the other hand, there was a decline in the Greek, Italian, British and Irish-born populations in NSW over the decade. Other birthplace groups, such as the Yugoslav, German, Dutch and Maltese remained relatively constant.

In the more recent 1981-86 period, the foreign-born population in the Illawarra region has declined by 2.4 per cent. Taken together with the slight increase (1.8 per cent) of foreign-born in the Hunter, this highlights the extent to which the Sydney region has taken in the vast majority of NSW's new migrants over the 1981-86 period.

4.2 Labour Market Segmentation

The Australian economy has incorporated labour in a variety of sites, which can be interpreted as 'segmentation' of the labour market. Collins (1975) identifies four main segments: men born in Australia or other English-speaking countries (the 'labour aristocrats'), men from elsewhere (largely 'factory fodder' or construction workers), women from Australia or other English-speaking countries (disproportionately in sales or services), and women from other countries (in the worst jobs with the poorest conditions). Since that time there has been a large literature on labour market segmentation in Australia, with ethnicity and gender key axes of segmentation. There is considerable debate as to the nature of the segmentation process and the implications for the analysis of migrant disadvantage in Australia (Collins 1984, Chapman and Miller 1986, Lever Tracy and Quinlan, 1988).

The segments of the labour market occupied by migrants from non-English speaking countries were precisely those hit by the decline in manufacturing after about 1970, while the two sectors dominated by other groups were those which experienced growth. Table 4.2 presents detailed information from the 1986 census about the industrial locations of women from different countries to test out whether Collins' segments 3 and 4 are as distinct as he argues. Using a base of 100 as the expected value, Vietnamese-born (494), Turks (437), Yugoslavs (358), and Greek-born women (315) are the most over-represented in manufacturing. On the other hand, women born in the U.S.A. (63), Malaysia (64), Canada (68) and Australia (79) are the most under-represented. Clothing shows even more extreme concentration amongst women born in Vietnam, Turkey and Greece. Meanwhile Turks, Greeks and Vietnamese are under-represented in service industries. However, the groups which are most over-represented are not just, as Collins argued in 1975, the migrants from English-speaking countries. The U.S. and Canada are certainly well represented, but so too are India and Sri Lanka (particularly in public administration), Malaysia and Egypt (particularly in community services). These apparent exceptions to the rule underline the complex character of Australia's immigration policy - it included skilled professional labour (via the brain drain) as well as unskilled manual labour, and it attracted office workers from other parts of the old British Empire.

Table 4.2 Female Workers, Australia 1986: Under- or Over-representation in Selected Industries

	Agri-culture	Manufacturing: Food	Manufacturing: Textile	Manufacturing: Clothing	Manufacturing: All man	Trade	Services: Finance	Services: Public admin	Services: Comm-unication
United Kingdom	42.1	87.0	92.4	68.1	107.8	97.2	100.1	102.5	111.8
Australia	48.6	103.3	192.5	147.3	147.8	98.1	79.3	82.8	89.6
Czechoslovakia	34.6	148.6	282.9	162.8	182.5	82.8	86.8	68.8	98.4
Germany	48.4	121.0	157.0	100.8	143.4	97.9	82.4	79.0	95.6
Greece	56.8	184.7	423.2	838.2	314.9	124.3	65.8	37.4	45.6
Hungary	40.5	130.8	192.7	227.0	179.8	102.4	91.9	77.4	83.8
Italy	155.3	173.6	300.6	638.3	251.0	101.8	65.5	46.0	60.5
Malta	109.8	237.3	301.8	276.1	240.1	82.6	97.0	74.1	71.3
Netherlands	116.9	107.8	144.3	87.5	112.0	103.9	72.1	67.7	99.0
Poland	21.7	172.0	458.9	300.8	249.5	73.4	75.5	74.0	91.9
Spain	35.5	123.7	162.6	323.1	186.8	72.5	119.7	119.8	78.7
USSR	37.0	83.5	195.5	220.7	140.6	84.8	81.2	71.3	123.8
Yugoslavia	46.0	308.2	642.0	486.5	358.3	62.2	74.1	51.9	62.2
Other Europe	55.3	155.7	216.8	294.2	188.9	88.6	85.6	71.9	83.1
China	51.7	125.6	130.7	418.5	171.5	86.6	56.9	69.6	68.7
Cyprus	26.3	169.1	297.3	837.6	302.6	133.1	71.1	62.8	41.8
India	36.6	81.1	89.1	63.5	99.6	62.1	106.9	180.9	127.9
Lebanon	15.2	185.7	192.0	285.9	179.7	168.7	73.8	56.4	51.4
Malaysia	19.6	65.2	37.0	64.9	64.3	63.6	100.3	121.8	149.2
Sri Lanka	8.2	108.4	81.0	89.8	125.3	58.3	120.6	249.5	112.4
Turkey	34.1	351.9	539.3	1033.0	436.9	75.3	69.4	64.1	39.2
Vietnam	10.8	397.5	324.4	1143.9	493.7	61.0	44.7	58.2	29.5
Other Asia	24.3	129.5	158.7	308.6	178.2	79.2	100.7	104.7	85.3
Egypt	12.2	131.1	155.1	190.8	169.8	93.0	109.9	120.7	83.5
Other Africa	28.5	83.8	97.0	106.6	121.3	82.1	126.9	131.7	104.2
Canada	59.0	61.5	61.7	23.0	67.6	80.3	116.3	100.4	125.7
USA	66.4	50.3	59.1	29.9	63.0	70.8	103.7	131.6	1.7
Other America	12.3	155.0	179.9	227.8	211.6	69.3	110.6	106.7	87.7
New Zealand	48.9	106.6	82.8	87.9	103.3	97.4	121.5	62.8	91.1
Other Oceania	34.5	156.6	138.4	137.9	134.9	79.4	102.6	110.5	104.3
Australia	115.5	90.4	74.3	56.6	79.4	102.5	102.2	103.7	102.1
Not Stated	80.6	128.5	159.4	220.7	151.0	95.6	74.6	73.3	81.0
Grand Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: 100 is the average for all women. Above 100 indicates over-representation by a particular group in that industry

Two other points can be made from Table 4.2. The early involvement of Italians in farming and market gardening can be seen as a continuing reality, with implications for the sorts of small business they go into (described below). There is also another segment of the labour market which Collins identified in a 1984 article (Collins 1984), the self-employed. These are picked up in the 'trade' industry, in which Lebanese (169), Cypriots (133) and Greek-born women (124) are over-represented. It is this fifth segment which is of particular interest in this report.

This pattern of segmentation is even more defined in Sydney, increasingly the region where migrants settle. Migrants born in Southern Europe, West Asia, Other Asia and South America are even more likely to be employed in the labourers, plant and machine and trades occupations in Sydney than they are in NSW as a whole (Collins 1989).

4.3 Migrant Unemployment

One of the sites of incorporation of migrant labour into the Australian labour market which many migrants did not anticipate was the unemployment queues. Australian-wide unemployment rates for the overseas-born and the Australian-born were fairly similar for the 1970s, with the overseas-born rate slightly higher. In the 1980s, however, when postwar unemployment exceeded ten per cent for the first time in fifty years, the unemployment rate of the overseas-born tended to be two percentage points higher than the Australian-born (Collins 1988:163). The perceived wisdom, as presented by the Bureau of Labour Market Research, is that it was only in the first few years of arrival that there was any significant difference in the unemployment rates of male and female migrants and others. After the initial period of early arrival, the Bureau argued, unemployment rates of migrants and non-migrants converged (BLMR 1986).

It is clear, however, that analysis of migrant unemployment requires unemployment rates to be disaggregated by birthplace if meaningful conclusions are to be made.

Table 4.3 shows the unemployment rates in NSW for the years 1984-87 by birthplace and gender. The most striking feature of NSW unemployment as shown in this table is the disproportionately high rates of unemployment for newly-arrived NES migrants. While Greek, Italian and British-born migrants suffer unemployment to a similar or less extent to the Australian-born, other NES migrants have disproportionately higher rates. This is particularly the case of the Lebanese-born and Vietnamese-born migrants. In 1987, 36.8 per cent of Vietnamese-born males, and 32.3 per cent of females, were unemployed. The Australian-born rates were 8.1 per cent and 8.2 per cent respectively. In other words, NSW unemployment rates for the Vietnamese-born migrants is four times that of the Australian-born! Unemployment rates for the Lebanese-born is even higher, with the 1987 figure 36.8 per cent for males and 44.4 per cent for females.

The most disturbing feature of the Lebanese-born unemployment rates is that while for most birthplace groups the unemployment rate declined between the years 1984-1987, it increased for the Lebanese. This is despite the fact that in these years the Australian and NSW economies experienced economic recovery from the economic recession in 1983, when unemployment reached the highest level for fifty years. In the years 1984-86, for example, the Australian economy recorded an average rate of growth of Gross Domestic Product in excess of four per cent, while the NSW economy also recovered over this period.

The other feature of the unemployment statistics for NSW is that females generally have higher rates of unemployment than males, irrespective of birthplace. The exceptions to this rule are the 1987 unemployment figures for New Zealanders, Vietnamese and Yugoslavs.

This analysis of migrant unemployment in NSW is based on official unemployment rates. However, there is evidence to support the view that a large part of unemployment remains 'hidden', particularly for NES migrants. Economists Paul Stricker and Paul Sheehan suggested in 1981 that when the 'hidden unemployed' are counted, the real rate of unemployment in Australia is was approximately twice that of the official rate. Moreover, they argued that the rate of hidden unemployment is approximately two to three times greater for migrants (especially NES migrants) than for the Australian-born (Stricker and Sheehan 1981:71).

Table 4.3 NSW Unemployment Rates by Birthplace and Gender, 1984-87.

Country of Birth	Males				Females			
	1984	1985	1986	1987	1984	1985	1986	1987
Australia	9.2	8.7	7.7	8.1	9.0	8.6	8.3	8.2
Greece	10.4	8.5	11.4	7.6	13.2	9.2	12.1	10.1
Italy	9.1	5.9	7.5	2.4	6.6	3.9	5.5	13.9
Lebanon	33.8	26.9	21.8	36.8	38.9	42.9	33.3	44.4
New Zealand	10.2	11.7	13.5	13.6	6.1	14.1	9.4	12.2
UK	7.9	6.9	6.3	3.7	7.4	4.8	5.6	8.5
Vietnam	39.0	25.0	11.1	36.8	39.0	34.3	16.7	32.3
Yugoslavia	16.5	10.7	10.5	13.2	19.2	16.8	4.3	11.4

Source: Collins (1989)

Table 4.4 shows the regional unemployment rates for the Australian-born and for those born overseas, broken down into those born in the major English-speaking countries (ES born) and those born in the non English-speaking countries (NES born). The high rates of unemployment for the NES migrants is apparent, particularly in the West and South West and Central regions of Sydney, where NES migrants experience unemployment at an average of twice, and sometimes three times, that of the Australian-born and ES migrants. Moreover, whereas for most regions and birthplace groups unemployment fell over the years 1984 to 1987, as economic recovery increased employment opportunities, for NES migrants in West and South Western Sydney unemployment actually increased from 15.6 per cent in 1984 to 16.9 per cent in 1987! The North and Greater Western (GW) region and the NSW Inland region have so few migrants that the unemployment rates cannot be estimated from the labour force survey.

Table 4.4 Unemployment (per cent) by Birthplace for NSW Regions, 1984, 1987.

Region	Aust. born		ES born		NES born.	
	1984	1987	1984	1987	1984	1987
Central Sydney	7.4	5.1	8.2	7.0	14.8	13.6
W & SW Sydney	8.8	7.7	7.0	5.3	15.6	16.9
North and GW	6.0	4.9	*	*	*	*
NSW Coast	11.7	12.5	15.9	12.8	16.2	12.0
NSW Inland	8.0	9.2	*	*	*	*

Source: 1986 Census.

* Sampling errors too large to make presentation useful

It is also important to disaggregate NSW migrant unemployment statistics by period of arrival. The conventional wisdom is that higher rates of unemployment for some migrants is a problem only in the first few years of settlement. However, analysis of NSW unemployment by cohorts shows that 1987 unemployment rates were higher for those who arrived in NSW in the period 1971-75 than for those who arrived in the later period 1976-80. Moreover, the unemployment rate of ES migrants who arrived during the period 1971-75 was twice as high as ES migrants who arrived in the period since 1981. NES migrants who arrived in the years 1971-75 had only a slightly lower unemployment rate than did those NES migrants who arrived after 1981 (Collins 1989).

Clearly the impact of the 1982-3 recession and the structural changes in the Australian economy highlighted by the decline of the manufacturing industry is contributing to higher unemployment rates of migrants who arrived in NSW decades ago. Moreover, NES migrants appear to have a higher chance of retrenchment as well as a lower chance of finding another job. A study of the NSW white goods industry, which has undergone substantial restructuring in recent years, found that retrenched migrant workers from Eastern and Southern Europe and the Middle East were least likely to have found work two years after being laid off (Curtain 1985).

4.4 Migrant Share in Recent Employment Growth in New South Wales

Another critical aspect of migrant labour market performance in NSW relates to employment growth. Since 1983 Australia has had one of the best employment creation records of all OECD countries. The key question relates to the extent to which migrants from different birthplace groups and period of arrival have shared in this remarkable expansion of employment opportunities in NSW.

Tables 4.5 and 4.6 present the male and female employment records for the years 1984 to 1987 by birthplace and year of arrival. For New South Wales as a whole, male employment increased by 57,000, a growth rate over the 1984-87 period of 4.1 per cent. For Australian-born males, employment growth in NSW for the period was 40,800, or a 3.9 per cent increase. For ES migrant males, the increase in employment was 18,000, or 1.2 per cent, while for Other Overseas born - i.e NES migrants - 14,700 new jobs were created, a 6.7 per cent increase. It seems from this data that NSW's NES migrants have shared significantly in the new jobs created over the period.

Taking into account period of arrival, it is clear that it is the recent migrants who have benefitted most from the record employment creation in NSW. ES migrants who arrived in Australia after 1980 almost doubled in employment, while similar NES migrants increased employment by 200 per cent. For both ES and NES migrant males, those who arrived in Australia prior to 1966 had declined in employment numbers. This would presumably reflect in part the movement of many of these migrant workers into retirement age. However, there also would be a component of redundancy and unemployment in these totals. This may be the reason for the 20 per cent decline in employment among ES migrants who arrived in Australia as recently as 1971-75, and the smaller (3.4 per cent) decline in the numbers of ES migrants employed who had arrived more recently in the 1976-80 period. However, ES migrants who arrived in the 1966-70 period had a substantial increase (12.3 per cent) in employment over the 1984-87 period.

For females in the NSW labour market employment increased at nearly three times the rate of males, with nearly 100,000 new female jobs created in the 1984-87 period, a growth rate of 11.2 per cent. Like the male workforce experience, the Australian-born shared largely in this employment creation (an increase of 10.9 per cent). However unlike the male experience, it is migrants from the main English-speaking countries, and not those from NES countries, who took the bulk of the new female jobs. ES female jobs increased by 14.2 per cent over the period, exceeding by about 40 per cent that of Australian-born women. In contrast, NES migrant female employment grew by only 2.6 per cent.

Information on the period of arrival of female migrants indicates that over this period of strong employment growth in the NSW female labour market, there was a large decline in employment for NES women who had arrived in the periods 1966-70 (11.9 per cent decline) and 1986-80 (15.1 per cent decline)! This perhaps reflects the declining employment opportunities in industries such as clothing, footwear and textiles and the manufacturing industries, where NES migrant women are concentrated. In other words, structural change and industry restructuring appears to over-ride the otherwise large scale increase in employment opportunities for NES migrant women in NSW. However, this is clearly not the case for NES women who arrived in Australia in the 1971-75 period, who experienced strong employment growth (37.3 per cent) at a time when those who arrived earlier and later had experienced strong decline. Further investigation is required to explain these apparent paradoxes in the employment experience of NES migrant women in New South Wales.

Table 4.6 New South Wales, Female Employment by Birthplace, 1984-87

Birthplace (year of arrival)	Females 1984	1985	1986	1987	Per cent change 1984-87
Australia	6,450	6,604	7,024	7,247	10.9
Main English-Speaking					
to 1966	294	331	294	290	-1.4
66-70	238	196	166	239	0
71-75	142	154	154	154	8.4
76-80	127	129	136	140	10.2
81-87	55	77	122	118	114.5
total	899	923	913	1,027	14.2
Other O'seas-born					
to 1966	465	418	422	422	9.2
66-70	243	249	266	214	-11.9
71-75	161	192	245	221	37.3
76-80	225	175	203	191	-15.1
81-87	70	81	126	173	141.1
total	1,216	1,140	1,304	1,248	2.6
Total	8,566	8,668	9,241	9,524	11.2

Source: Collins 1989

Table 4.5 New South Wales, Male Employment by Birthplace, 1984-87

Birthplace (year of arrival)	Males 1984	1985	1986	1987	Per cent change 1984-87
Australia	10,250	10,318	10,629	10,658	3.9
Main English-Speaking					
to 1966	625	557	547	482	-22.9
66-70	308	305	304	346	12.3
71-75	245	245	170	197	-19.6
76-80	177	146	183	171	-3.4
81-87	98	125	162	187	90.8
total	1,495	1,440	1,449	1,513	1.2
Other O'seas-born					
to 1966	1,032	1,043	1,000	940	-8.9
66-70	417	459	479	419	0.5
71-75	319	350	336	325	1.8
76-80	262	255	309	264	0.7
81-87	96	148	239	298	210.4
total	2,169	2,310	2,425	2,316	6.7
Total	13,915	14,069	14,505	14,489	4.1

Source: Collins 1989

4.5 Migrants in Part-time and Full-time Employment in NSW

The previous section on employment growth does not distinguish between part-time and full-time employment growth in NSW over the period 1984-1987. However, it is important to distinguish between these two types of employment. Table 4.7 outlines the proportion of the NSW male and female workforce that were employed in full-time and part-time jobs in 1984 and 1987.

Table 4.7 Full-time and Part-time Employment by Birthplace and Gender, New South Wales, 1984-87.

Birthplace	Males				Females			
	Full-time		Part-time		Full-time		Part-time	
	1984	1987	1984	1987	1984	1987	1984	1987
Australia	93.6	93.2	6.4	6.8	63.4	62.1	36.6	37.9
Greece	93.1	92.4	6.9	7.6	60.9	47.2	39.1	52.8
Italy	95.3	96.9	4.7	3.1	69.3	47.6	30.7	52.4
Lebanon	.	91.7	.	8.3	66.7	73.3	33.3	26.7
New Zealand	94.8	91.6	5.2	8.4	76.6	72.2	23.4	27.8
UK	94.6	95.5	5.4	4.5	64.4	60.8	35.6	39.2
Vietnam	94.7	96.6	5.3	3.4	91.5	87.7	8.5	12.3
Yugoslavia	98.0	97.5	2.0	2.5	71.3	79.5	28.7	20.5

Source: Collins 1989

The full-time/part-time distinction underlies the significant gender differences in the NSW labour market. In NSW the female workforce generally comprises around one third of part-time workers, while the male workforce is predominantly comprised of full-time workers: over 90 per cent of males in the NSW workforce are full-time workers. Another contrast is that in the male workforce there is very little difference between birthplace groups in the full-time/part-time breakdown, while for females there is a significant difference.

Over half of female workers born in Greece and Italy were part-timers in 1987, as were over one third of those born in Britain and Australia. However, only one fifth of Vietnamese-born women, and just over one tenth of Lebanese-born women, were part-timers in 1987. This means that the ES/NES generalisations are inadequate in explaining this aspect of migrant women workers in the NSW labour market. The lower part-time rate for newly-arrived NES women from Vietnam and Lebanon may be partly explained by the need for as much income as possible for these families, given their economic difficulties. On the other hand, migrant women from the more established NES Italian and Greek communities may be able to afford part-time work which enables them to juggle family and work responsibilities. Clearly further investigation is required of this aspect of migrant women workers in New South Wales.

Another clear difference in the labour market experience of migrant workers is that while the proportion of male workers in part-time work stayed at about the same low rate over the period 1984-87, for female workers the proportion in part-time work changed significantly over the four years, although not in a consistent pattern. Over the period 1984-87, the number of Italian-born women in part-time work increased by 70 per cent, Vietnamese-born by 44 per cent and that of Greek-born women by 35 per cent. Increases for New Zealand and UK born women were also notable, with increases of 18 per cent and 10 per cent respectively. On the other hand, the proportion of Yugoslavian-born women who were part-timers fell by 30 per cent and Lebanese-born women by 20 per cent. To explain these trends in NSW migrant women workers a close study of the impact of economic restructuring on the NSW economy is required.

5. THE ETHNIC SMALL BUSINESS SECTOR

5.1 Introduction

While most migrants in Australia are employees, a growing proportion are classified as employers and self-employed. The employer and self-employed comprised 15 per cent of the Australian workforce in 1988 (ABS labour force survey). It is this 'fifth sector' described in Chapter 4 which has mostly been ignored when discussing and analysing the post-war immigration experience.

To date, most discussion of migrant employers has been restricted to profiles of the wealthy, high profile migrant businessmen such as Robert Holmes a'Court, Alan Bond, Sir Peter Abeles, Sir Tristan Antico and Basil Sellers (cf Ostorow 1987). There has also been much attention to the Business Migration Programme, where migrants with in excess of $500,000 in assets are eagerly sought by the Australian Government.

However, most migrant businesses, like most Australian businesses, are small. According to the definition of the Australian Bureau of Statistics, small businesses are those enterprises which employ less than 20 employees. In 1986-87, there were 580,900 small businesses in Australia, 95 per cent of all Australian private non-agricultural enterprises and 83 per cent of all enterprises in Australia. These small enterprises employed 44 per cent of private sector wage and salary workers (ABS 1988:3. 17). Of the private sector labour force of some 4 million workers in 1986-87, almost 800,000 worked in their own businesses, and another 1.3 million were employed in small businesses. Combining these two groups, some 53 per cent of the Australian labour force depend for their livelihood on small businesses.

While a minority of migrants in Australia are either employers or self-employed, they demand attention for a number of reasons. First, it will be demonstrated that for many birthplace groups, the proportion who are employers and self employed is much larger than the Australian average. This is particularly the case for NES migrants. Second, this section of the labour market not only provides a livelihood for many migrant employers and self-employed, but is a source of employment for many others, migrant and non-migrant alike. A corollary of this is that the economic rationale of immigration - which has to date ignored the contribution of small employers and self-employed - may be much stronger for NES migrants, and therefore for family reunion, than has hitherto been accepted.

Third, it is important to investigate the impact of recent restructuring of the Australian economy on these categories. There appears to be a growth in the self-employed due to the growth of sub-contracting and outwork as industries restructure. It is important to distinguish between the traditional self-employed who have small businesses, and these migrant workers who have been conveniently 'reclassified' to self employed, but who are really outworkers or subcontractors doing the same work under a different legal relationship. Fourth, it is important to investigate the relationship between unemployment, the incidence of small business success among certain NES migrant groups and the restructuring of the Australian economy due to cyclical and structural economic change. These questions will be pursued after a more detailed outline of the Australian small business sector and the migrant presence in small business in Australia.

Finally, it is important to investigate in detail the circumstances of migrant small businesses - both self-employed and employers. A number of key questions emerge. Which migrants go into small business? Why? What are the key features of a successful migrant small business? What is the role of the extended or immediate family in the migrant small business? How important is the ethnic community to the success of migrant small businesses? Are there any significant differences between migrant small business activity among different ethnic groups? If so, why? These questions will be addressed through analysis of survey data collected for this study in Chapters 6 and 7.

5.2 The Australian Small-Business Sector

Before discussing the migrant presence in the small business sector it is important to present an overview of the small business sector in the Australian economy. The following information is drawn from the ABS publication Small Business in Australia, 1983-4 to 1986-7, Sept 1988.

Small businesses comprise 83 per cent of all enterprises in Australia. It was estimated in 1986-87 that there were 732,400 business enterprises in Australia employing 6,853,900 people. Excluding the agricultural sector (118,900 enterprises employing 395,600 persons) and the public sector (4,600 enterprises employing 1,741,900 persons), most enterprises are in the non-agricultural private sector, with 608,900 enterprises employing 4,716,400 persons. In this sector, there are 608,900 small enterprises of less than 20 employees who employ 2,062,300 persons and 28,000 large businesses who employ 2,654,100 persons. Small businesses account for 95 per cent of all Australian private non-agricultural enterprises. The private non-agricultural sector employs more than two thirds - 69 per cent - of all workers in Australia, with small enterprises accounting for 44 per cent of the total persons employed in private sector non-agricultural enterprises.

While small businesses are defined as those enterprises employing less than 20 people, most employ significantly fewer. Ninety per cent of all small businesses employ fewer than 10 people. In all industries, very small enterprises (less than 10 people) constitute more than 80 per cent of all enterprises, with the exception being the manufacturing industry, where only 74 per cent of all enterprises employ less than 10 people. Small businesses in these private sector non-agricultural enterprises on average employed less than four persons.

Taken by industry, the construction and retail trade industries have the highest proportion of small businesses. Together with the finance, property and business services industry, and the Agricultural sector, these industries account for two thirds of small businesses in Australia. More than 70 per cent of persons employed in the construction industry were employed in small businesses, as were over 50 per cent of those employed in the retail trade, transport and storage and recreation industries. The mining industry had the lowest proportion of workers employed in small businesses, (10 per cent), with the manufacturing industry the next lowest (22 per cent).
If the economy is divided into the goods and services sector, it is clear that recent small enterprise growth for the period 1983-87 was greatest in the services sector. Taking the whole economy, there was an increase of 8 per cent in the number of small enterprises in

the goods-producing industries, compared to more than twice the growth (17 per cent) in the number of small enterprises in the services-producing industries.

In the non-agricultural goods-producing sector the number of enterprises increased by 8 per cent and the persons employed by 7 per cent. However, employment growth was double in the small business sector, where employment growth was 15 per cent. In the service producing industries, the number of all enterprises increased by 17 per cent and employment by 17 per cent. The small business component of services sector employment increased by less than the total - by 12 per cent - indicating that unlike the goods-producing sector of Australia in the 1983-87 period employment growth was greater in the big business services sector than in the small business sector.

Over the period 1983-4 to 1986-7, the number of self employed in Australia grew by 81,900 or 12 per cent to 792,300. The greatest growth in the number of self-employed was in the finance, property and business services industry (25 per cent growth) and the recreation, personal and other services industries (19 per cent). The construction, transport and storage and community services industries exceeded the national average. Self-employment in manufacturing industry grew by 10 per cent, while it declined in the retail trade and wholesale trade industries.

5.3 Migrant Small Businesses in Australia

The small business sector is a crucial yet relatively unexplored dimension of the Australian economy. This perhaps explains why the migrant contribution to the small business sector has been generally overlooked in the debate about the economic impact of Australian immigration [cf Daryl Douglas (ed.) 1982 and Baker and Miller (eds) 1989]. Most studies focus on the role of migrants as workers rather than as employers or self-employed. However, census data attests to the disproportionately high profile of many birthplace groups among employers and self-employed in Australia. The important role that NES postwar migrants in particular have played in the small businesses sector - and the resulting economic benefits for the Australian economy, including employment and profit generation - must be resurrected from obscurity to the centre of the stage of any debate on the economic merits of family reunion and NES immigration intakes.

In 1947, immediately prior to the great waves of postwar immigration, more than one half of the workforce of migrants born in Greece, Poland and Italy were self-employed or employers. Similarly, more than one third of the German-born, Maltese-born and Yugoslav-born in the workforce were either employers or self-employed. Only one fifth of the Australian-born workforce were classified in this way.

The waves of postwar migrant intake were, of course, mainly destined to become employees. In 1981 16.4 per cent of the Australian-born males workforce were self-employer or employers, a decline of one fifth on 1947. Overall, the overseas-born average was very similar, with 15.8 per cent self-employer or employers. The proportion of each birthplace group's workforce who were either self-employed or employers declined. There is, however a substantial variation within the overseas born. In 1981, 25.9 per cent of Greek-born males in the Australian workforce were either employers or self-employed, as were 24.1 per cent of the Dutch, 24 per cent of the Italian, 22 per cent of the Lebanese, 20 per cent of the German and 15 per cent of the Polish males. On the other hand, 7.7 per cent of New Zealand-born males, 8.9 per cent of UK and Eire-born males, and 6.7 per cent of Yugoslav-born males were employers of self-employed.

There is also a gender dimension to the small-business sector. In 1981, only 11 per cent of the female workforce were self-employed or employers, compared to 16.1 per cent of the male workforce. Once again, the Australian-born presence in this sector is similar (12.1 per cent) to that of overseas-born women taken together (11.2 per cent). Nevertheless, the largest groups of NES migrant women in the Australian workforce are over-represented as self-employed and employers. 20.7 per cent of Greek-born women, 20.5 per cent of Netherlands-born women, 18 per cent of Lebanese-born women and 17.5 per cent of Italian-born women were self-employed or employers. Of the large NES migrant groups, only the Yugoslavs (6.7 per cent) have a lower representation than the Australian-born, closer to the under-representation of the New Zealand-born (7.9 per cent) and UK and Eire-born (8.9 per cent) women in this sector which approximates to the female small-business sector of the Australian economy.

The industrial distribution of the self-employed by selected birthplace is outlined in Table 5.1, and for and employers in Table 5.2. The most notable feature is that there is considerable variation by industry of the relative presence of different birthplace groups. Clearly averages across all industries obscures important differences in industry clustering of overseas and Australian-born in small businesses.

The industries with the highest representation of Australian-born self-employed in 1981 were agriculture (89.2 per cent) and fisheries (87.1 per cent). The lowest representation was in the clothing and food manufacturing industries, where the Australian-born comprised only 32.4 per cent of all the self-employed. Other relatively low representations for the Australian-born were in the textiles manufacturing (61.6 per cent), restaurants (62.5 per cent) and food and beverage manufacturing (65.4 per cent) industries.

The British-born generally exceeded the number of other birthplace groups as self employed in Australia's industries. This is to be expected, since the British-born outnumber any other birthplace group in Australia by at least five times. However, the British-born do not exceed the representation of self-employed of other birthplace groups by this dimension. The highest British presence among the self-employed was in the textile manufacturing industry (10.7 per cent). The next highest representation was in the special trade construction (9.5 per cent), fabricated metal products (9.4 per cent), and personal services (8.0 per cent) industries. Relatively low representation was found in the agriculture (2.6 per cent), fisheries (3.0 per cent) and clothing and food manufacturing (4.3 per cent) industries.

The Greek-born have a disproportionately-high representation as self-employed in the clothing and food manufacturing industry, where they account for 16.7 per cent of all the self-employed. Other high representation are in the food and beverage manufacturing (3.9 per cent), textiles manufacturing (4.5 per cent) and retail trade (4.5 per cent) industries. Lowest representation was in the agriculture (0.7 per cent), general construction (0.9 per cent) and special trade construction (1.1 per cent) industries.

The Italian-born also have a very high presence among the self-employed in the clothing and food manufacturing industry (10.6 per cent). Other industries with a relatively high presence of Italians as self-employed include the personal services (8.9

per cent), special trade construction (6.2 per cent), fabricated metals (5.4 per cent) and general construction (5.4 per cent) industries. Lowest Italian presence as self-employed was in the fisheries (2.4 per cent) and wholesale trade (3.0 per cent) industries.

Table 5.1 Self-employed by Industry and Birthplace, Australia, 1981 (per cent)

Birthplace	Industry					
	1	2	3	4	5	6
Australia	89.2	87.1	65.4	61.6	32.4	69.9
UK	2.6	3.0	8.2	10.7	4.3	9.4
Greece	0.7	1.4	4.9	2.5	16.7	1.5
Italy	3.6	2.4	6.3	3.4	10.6	5.4

Birthplace	Industry					
	7	8	9	10	11	12
Australia	72.2	70.7	79.4	72.4	62.5	66.7
UK	7.4	9.5	7.0	6.6	5.9	8.0
Greece	0.9	1.1	1.3	4.5	3.6	3.5
Italy	5.4	6.2	3.0	4.6	4.4	8.9

Source: 1981 Census.

Key:

1. Agriculture
2. Fisheries
3. Food & Beverage Mfg
4. Textiles Mfg
5. Clothing and Food Mfg
6. Fabricated Metal Products
7. General Construction
8. Special Trade Construction
9. Wholesale Trade
10. Retail Trade
11. Restaurants, Hotels & Clubs
12. Personal Services

A similar pattern emerges from a consideration of employers by industry. The Australian-born have highest representation as employers in the agriculture (91.7 per cent) and fisheries (83.0 per cent) industries, and lowest in the clothing and food manufacturing (35.6 per cent) industries. The British-born have highest representation as employers in the personal services (12.1 per cent), fabricated metal products (11.1 per cent), retail trade (9.2 per cent) and wholesale trade (9.1 per cent) industries, and lowest representation in the agriculture (3.2 per cent) and textiles manufacturing (2.5 per cent) industries. Greeks have a the highest presence as employers in the personal services (12.1 per cent), fabricated metal products (11.1 per cent) and retail (9.25) and wholesale (9.1 per cent) trade industries. Lowest representation is in the agriculture (0.4 per cent), special trade construction (0.6 per cent) and general construction (0.9 per cent) industries. Italian employers had the highest representation in the food and beverage (6.7 per cent), general trade construction (5.4 per cent) and personal services (4.5 per cent) industries, and lowest representation in the agriculture, fisheries and textiles manufacturing industries (2.5 per cent in each).

Table 5.2 Employers by Industry and Birthplace, 1981 (per cent)

Birthplace	Industry 1	2	3	4	5	6
Australia	91.7	83.0	67.9	57.5	35.6	72.2
UK	2.2	3.9	5.1	2.5	5.6	11.1
Greece	0.4	1.9	3.7	2.5	11.1	1.9
Italy	2.5	2.5	6.7	2.5	4.4	2.8

Birthplace	Industry 7	8	9	10	11	12
Australia	72.0	76.5	76.6	66.5	64.8	66.3
UK	8.0	7.7	9.1	9.2	5.9	12.1
Greece	0.9	0.6	1.4	5.6	2.9	1.7
Italy	5.4	3.1	1.9	4.2	3.2	4.5

Source: 1981 Census.

Key:

1. Agriculture	7. General Construction
2. Fisheries	8. Special Trade Construction
3. Food & Beverage Mfg	9. Wholesale Trade
4. Textiles Mfg	10. Retail Trade
5. Clothing and Food Mfg	11. Restaurants, Hotels & Clubs
6. Fabricated Metal Products	12. Personal Services

It is clear from the dissection of self-employed and employers by industry that considerable detail on the birthplace aspect of small businesses in Australia is lost in aggregation of statistics. However, even at the industry level there is further need for disaggregation to adequately appreciate the migrant presence as employers and self-employed in Australia. This can be clearly seen in the following analysis of Italian self-employed and employers for the retail trade industry disaggregated to four-digit ASIC level.

In 1981, 113,420 Italian-born males and 49,215 Italian-born females were employed, accounting for 2.6 per cent of the Australian workforce. The Italian presence among the self-employed is greater than the relative presence of Italians in the workforce for all industries other than fisheries, which is only slightly less (2.4 per cent). For employers, the Italian presence is roughly equal to the presence in the agricultural, fisheries and textiles industries, and in excess of 2.6 per cent for all other industries other than wholesale trade (1.9 per cent). One interesting feature here is that the industries into which Italian small businesses were concentrated in 1947 - agriculture and fisheries were the very industries in which they were underrepresented in 1981. This suggests that while the cultural explanations of the Italian small business presence were very useful to explain the movement of Italians into small business in the prewar and immediate postwar period, they are of much less use today. In 1981 Italians were most disproportionately concentrated in food and beverage manufacture, clothing and footwear manufacturing, general construction, retail trade and personal services. However, even these industry aggregates are too broad for the required detail. 4 Digit ASIC classifications break each of these industries into sub-totals, so that more detailed information on the concentration of Italian small businesses can be obtained. The following table looks at the Italian presence among the self-employed and employers in the retail industry.

Table 5.3 Italians in the Retail Industry 1981, by 4 Digit ASIC
Italians as per cent of all persons in category.

Industry Classification	Self employed	Employers
Retail Trade undefined	3.3	4.1
General Stores	1.1	1.4
Clothing,Fabric,Furniture Stores	7.6	4.3
Men's, Boyswear Stores	12.1	4.4
Women's, Girlswear Stores	3.6	2.5
Footwear Stores	8.5	5.1
Shoe Repairers	19.7	14.0
Fabrics, Household Textile Stores	3.8	2.2
Floor Covering Stores	2.3	3.3
Furniture Stores	3.7	3.2
Domestic Hardware Stores	2.4	1.9
Watchmakers, Jewellers	2.9	2.2
Music Stores	2.2	2.0
Household Appliance Stores	2.5	1.4
Electrical Appliance Repairers	2.4	1.3
Motor Vehicle Dealers, Petrol,Tyres	1.8	2.5
New Motor Vehicle Dealers	2.8	3.5
Used Motor Vehicle Dealers	2.4	2.4
Service Stations	5.0	4.5
Smash Repairers	4.9	6.9
Motor Cycle Dealers	1.3	0.4
Boat Caravan Dealers	1.9	0.6
Tyre Battery Retailers	2.1	2.0
Bread Vendors	4.3	3.6
Milk vendors	2.1	0.9
Food Stores undefined	3.6	5.1
Grocers, Confectioners, tobacconists	7.7	6.3
Butchers	6.4	4.5
Fruit and Vegetable Stores	29.4	30.6
Liquor Stores	15.7	12.2
Bread, Cake Stores	8.2	5.6
Fish Shop, Take Away Food, Milk bars	7.6	5.3
Other Retailers undefined	0.7	4.3
Pharmacies	0.9	0.7
Photographic Equipment Stores	1.5	0
Sports, Toy Stores	1.1	0.5
Newsagents, Stationers, Booksellers	0.8	0.9
Secondhand Goods Dealers	1.9	1.1
Nurserymen, Florists	2.3	1.9
Retailing	2.0	1.6

Source: 1981 Census Magnetic Tape 75

From the above table it is clear that there is a significant disproportionate Italian presence in the following areas of small business within the retail industry: clothing fabric and furniture stores; men's clothing; shoe repairers; grocers confectioners and tobacconists; fruit and vegetable stores; liquor stores; bread and cake stores; fish shop, take-away food shops and milk bars. Fruit and vegetable stores are by far the greatest area of Italian concentration in the retail industry, with Italians accounting for nearly one third of all self-employed and employers in fruit and vegetable shops in Australia. Shoe repairers have the next highest concentration of Italians (19.7 per cent of the self-employed and 14 per cent of employers), with liquor stores (15.7 per cent of the self-employed and 12.2 per cent of employers) and menswear shops (12.1 per cent of the self-employed and 4.4 per cent of employers) the segments of the retail industry disproportionately influenced by Italians. In other areas of retail, Italians exceed 5 per cent of the small businesses. These include butchers, smash repairers, service stations, clothing, fabric and furniture stores.

These concentrations continue to reflect the links of Italian migrant small businesses immediate post-war years in the industries related to Italian traditions in the farming sector (fruit and vegetable shops), with old trades and skills (shoe repairs) and with fashion (menswear, footwear shops). The move out of farming and fishing noted above has been complemented by a move into the retail aspects of these industries. The large number of Italians in the new growth area of liquor stores, service stations and smash repairers reflects and ability of Italian entrepreneurs to move to new business opportunities, giving support to the argument that structural explanations of ethnic small businesses in Australia have become increasingly important in the postwar period. Clearly disaggregated analysis to the four digit ASIC level for all birthplace groups is required to give a detailed understanding of the migrant presence in small businesses in Australia.

5.4 Migrant Small Businesses in New South Wales

The preceding analysis of the self-employed and employers has been conducted at national level. As with industrial dimensions, aggregation hides some of the most salient aspects of migrant presence in the small business sector. It is therefore helpful to consider the State level of disaggregation. Table 5.4, from the 1986 Census, outlines the NSW percentage of the workforce that were self-employed and employers for each birthplace continental grouping. Gender differences are also apparent: males exceed female in both the self-employed and employer categories for every birthplace group.

Considerable variation by birthplace is evident. The benchmark is the proportion of the Australian-born workforce in NSW that are self-employed (10.9 per cent of males and 7.1 per cent of females) or employers (6.9 per cent of males and 4.5 per cent of females). Migrants born in Southern Europe, Other Europe, East Asia and West Asia appear to have a much higher representation as self-employed and employers than do the Australian-born. On the other hand, migrants born in South East Asia, South Asia, South America, Other America and Africa generally have a relatively lower representation among the self-employed and employers in New South Wales. Those born in countries in West Asia appear to have the highest proportional representation as self-employed in NSW, with 15.5 per cent of males in self-employment and 13.3 per cent of females. Next highest are Other Europe (14.7 per cent and 10.4 per cent respectively), Southern Europe (13.9 per cent and 10.4 per cent) and East Asia (11.2 per cent and 9.8 per cent). Migrants born in East Asia have the highest representation as employers of all NSW birthplace groups, with 12.6 per cent of East Asian males and 8.3 per cent of East Asian females in the NSW workforce employers. They are followed by migrants from Other Europe (9.3 per cent and 6.8 per cent respectively). West Asia (9.3 per cent and 6.4 per cent) and Southern Europe (8.1 per cent and 5.8 per cent).

Table 5.4 Percentage of Workforce Self-Employed and Employer, Male and Female, NSW, 1986, by Continental Birthplace

Birthplace	Self Employed		Employer	
	M	F	M	F
Australia	10.9	7.1	6.9	4.5
UK & Eire	9.6	6.0	5.3	3.7
Oceania	10.9	7.0	6.8	4.5
Southern Europe	13.9	10.4	8.1	5.8
Other Europe	14.7	10.4	9.3	6.8
Total Europe	12.2	8.2	7.2	5.0
East Asia	11.2	9.8	12.6	8.3
South East Asia	5.1	4.4	5.0	2.8
South Asia	6.8	5.0	7.7	4.5
West Asia	15.5	13.3	9.3	6.4
Total Asia	9.7	7.5	8.3	5.0
South America	7.4	4.7	3.1	2.2
Other America	10.2	7.1	6.8	4.5
Total America	8.7	5.8	4.7	3.3
Africa	7.7	5.8	8.8	3.9
Total	11.0	7.2	7.0	4.5

Source: 1986 Census

Continental groupings of NSW's immigrant workforce obscures birthplace variations within each region. Table 5.5 presents information for selected birthplace groups on the proportion of the NSW workforce who are self-employed or employers.

10.9 per cent of Australian-born males in the NSW workforce were classified in the 1986 Census as self-employed, as were 7.1 per cent of Australian-born females. The birthplace group with by far the highest proportional representation among the self-employed in NSW was the Koreans, with 22.3 per cent of Korean-born males in the

NSW workforce self-employed and 19.6 per cent of Korean-born females. This is more than twice the average of the Australian-born. Other birthplaces with a high presence of self-employed are Greece (18.7 per cent and 15.7 per cent), Israel (17.2 per cent and 15.8 per cent), the Netherlands (17.0 per cent and 11.1 per cent), Italy (16.9 per cent and 13.0 per cent), Hungary (16.5 per cent and 14.5 per cent) and Cyprus (15.8 per cent for males and 13.7 per cent for females). All these birthplace groups have at least 50 per cent more males as self-employed, and nearly 100 per cent more females, than the Australian-born. Other birthplaces with higher proportional representation than the Australian-born are Syria, USA, Estonia, Germany, China and New Zealand.

As Table 5.5 shows, 6.9 per cent of the Australian-born males in the NSW workforce - and 4.5 per cent of the female workforce - were classified as employers in 1986. However, many birthplace groups had a much higher proportional representation as employers in NSW. China is the birthplace with most employers: 17.3 per cent of Chinese-born males in the NSW workforce are employers, as are 11.2 per cent of Chinese-born females. This is approximately three times the Australian-born figure. Other birthplace groups with approximately twice the Australian-born workforce presence as employers are the Hungarians (14.0 per cent and 10.7 per cent), Israelis (14.0 per cent and 10.7 per cent) and Greeks (13.0 and 10.1 per cent respectively). Among the other birthplace groups, Italians, Dutch, South Africans and Syrians have at least 50 per cent more employers than the Australian-born.

Clearly the disproportionate economic contribution of those birthplace groups in NSW who have a much higher representation as employers and self-employed must be taken into account in any assessment of the economic impact of immigration in NSW in general, and the employment and wealth creation aspects in particular.

Table 5.5 Percentage of Workforce Self-Employed and Employer, Male and Female, NSW, 1986, by Selected Birthplace

Birthplace	Self Employed		Employer	
	M	F	M	F
Australia	10.9	7.1	6.9	4.5
China	12.3	10.7	17.3	11.2
Cyprus	15.8	13.7	11.8	9.5
Estonia	14.8	10.1	8.4	4.3
Germany	14.2	10.2	8.4	6.5
Greece	18.7	15.7	13.0	10.1
Hungary	16.5	14.5	14.0	10.7
Israel	17.2	15.8	14.0	7.9
Italy	16.9	13.0	10.5	7.2
Korea	22.3	19.6	8.5	6.1
Lebanon	17.8	15.6	9.3	8.3
Netherlands	17.0	11.4	10.0	7.8
New Zealand	11.2	5.3	6.4	3.0
Poland	9.4	7.3	6.0	4.1
South Africa	8.8	6.5	11.8	3.9
Syria	4.4	14.2	11.6	10.9
Turkey	8.7	8.4	5.9	3.5
UK & Eire	9.9	6.0	5.6	3.7
USA	11.3	7.9	6.6	4.7
Vietnam	4.3	5.6	2.8	3.3
Yugoslavia	9.1	4.6	4.3	2.4
Total	11.0	7.2	7.0	4.5

Source: 1986 Census.

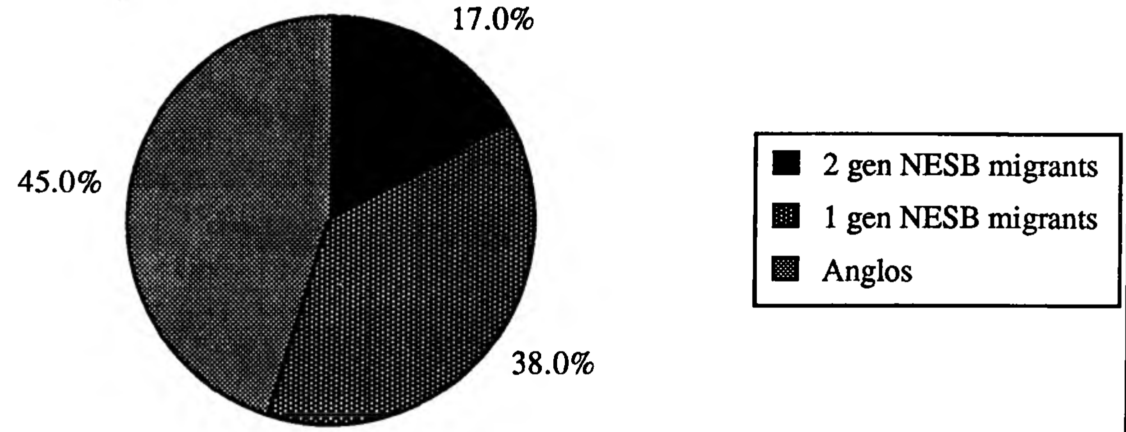
6. MARRICKVILLE AREA STUDY

6.1 Introduction

In our study of the Marrickville Local Government Area (LGA) we have examined the relationship of a number of micro-processes of economic and social change which combine to constitute the macro-process of industrial restructuring. We have argued elsewhere that it is at the interface between economic and social processes of change that the story of incorporation of migrants from non-English speaking backgrounds into the Australian economy over the past 30 years must be located (Tait and Gibson, 1987). The Marrickville local area has housed and been the site of employment for many newcomers to Australia, and in this chapter we will examine migrants and restructuring at the local geographical scale.

A half of Marrickville's 1986 population of 82,000 were born overseas, which gives it the highest migrant presence of any shire or municipality in NSW. Some 38 per cent of the population were born in NES countries, while another 17 per cent were born in Australia with at least one NESB parent. In other words, 55 per cent of Marrickville's population are from first- or second-generation migrants from NES countries (Figure 6.1).

Figure 6.1
1st and 2nd generation migrants:
Marrickville LGA, 1986



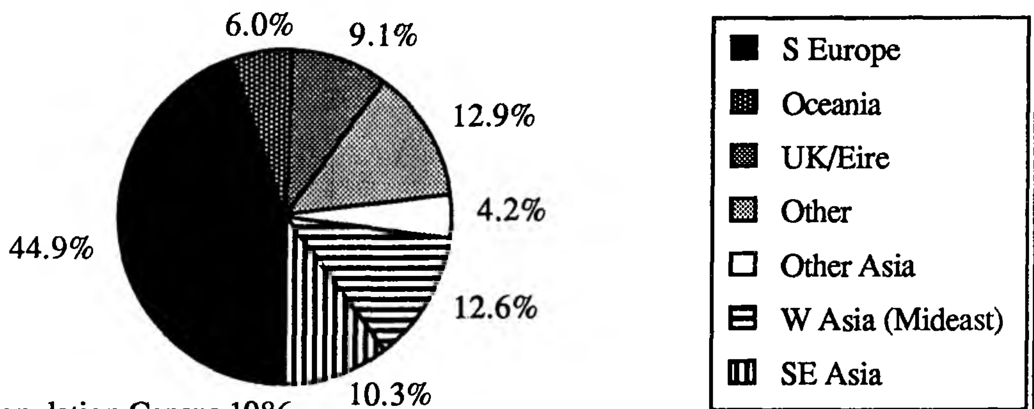
Source: ABS 1986 pop census

The regions from which migrants have been drawn has changed sharply in the last few years. The largest group of 'established' migrants, those arriving in Australia before 1981, was from Southern Europe (particularly Greece and Yugoslavia), with a substantial number from the Middle East (Figure 6.2). On the other hand, recent migrants, those coming since 1981, have come more from Southeast Asia. In neither period did the British and Irish constitute more than a tenth of the migrant population. An Irish heritage lives on in Marrickville, however, in the council parks and car parks which remind new migrants that this was once an Irish settlement. The number of New Zealanders has increased slightly between 1981 and 1986, but the number of people born elsewhere in Oceania (such as Fiji, Tonga and Samoa) has nearly doubled. These are a particularly disadvantaged group which are frequently lost in official statistics because of their small numbers.

Figure 6.2
Birthplaces of Marrickville's migrants
Recent migrants, Arriving 1981-85

Source: Population Census, 1986

Figure 6.3
Birthplaces of Marrickville's migrants
Established migrants, Arriving pre 1981



Source: Population Census 1986

Many different data sets have been used to build up a picture of economic and ethnic restructuring in the Marrickville area. The structure of the chapter is as follows

1. An historical overview of industry and employment in the LGA which draws upon case studies of four large manufacturing plants in Marrickville, data from the ABS manufacturing and population censuses and a census of industry

carried out by the Marrickville Council. In this section the industrial labour force experience of NESB migrants in the local area is addressed where possible.

2. An analysis of the ethnic and spatial restructuring of small businesses in the retail areas of Marrickville. This discussion draws upon a survey done as part of this project and the ABS retail census, and provides a background to the in-depth interviews with a sample of ethnic small businesses in the municipality reported on in Chapter 7.
3. An analysis of changes in the residential population of Marrickville LGA using data from the ABS Population Census.

6.2 Industry and Employment in the Marrickville Local Government Area

Marrickville is an old established inner city area in which industrial and residential land uses have long coexisted. The south-eastern quarter of the municipality is dominated by large scale industrial sites. This area, bounded by the Cooks River, Alexandria Canal and Victoria Road abuts Sydney's Central Industrial Area in the adjoining LGA of South Sydney. Smaller scale industrial activity is found scattered throughout the rest of the municipality mixed in with residential and commercial land uses.

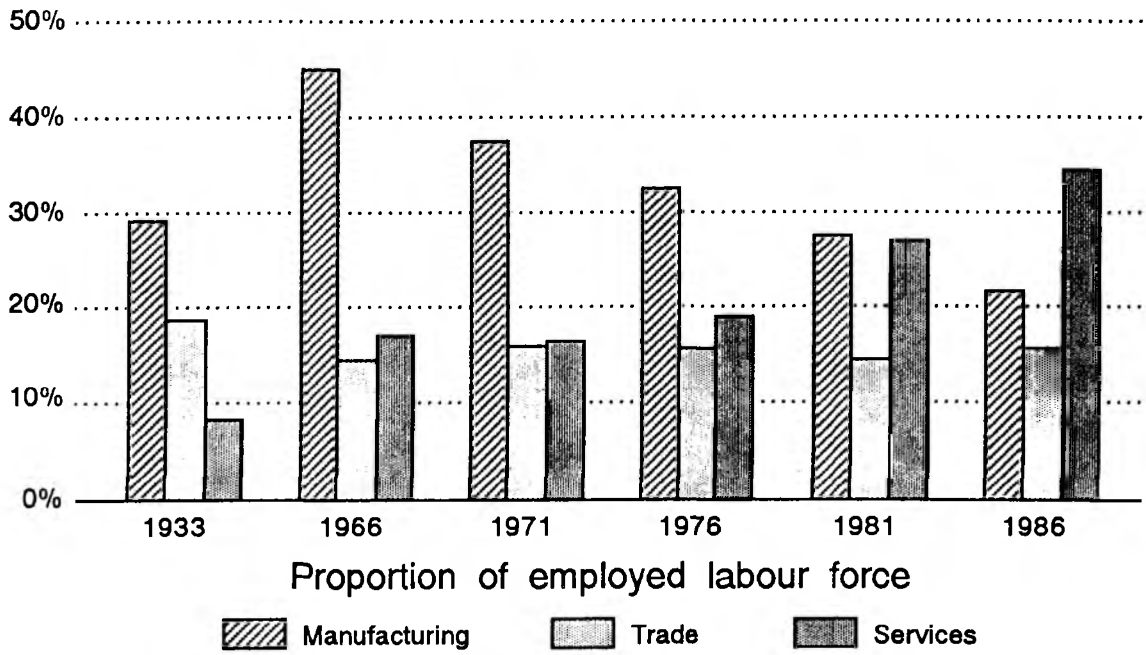
The industrial and social structure of Marrickville is diverse as the local area has historically been the site of many different phases of capital investment and disinvestment, human settlement and migration. Throughout the twentieth century manufacturing firms in the Marrickville area have grown from small family firms, to large nationally oriented public companies, to internationally owned global corporations. It would appear that up until the 1970s, when manufacturing industry in Australia suffered widespread rationalisation and decline in employment levels, the local labour market supplied much of the workforce for industrial activities in the Marrickville area. In the first half of the century this workforce was largely Australian born or of British origin, while in the latter half migrants from non-English speaking backgrounds have formed a significant proportion of the local labour force.

Growth and restructuring in the Australian economy has affected industrial activity in this particular local area in complex ways. Many of the prosperous manufacturing firms expanded and consolidated their operations in Marrickville through the period of the long boom. In 1933 the manufacturing workforce living in Marrickville stood at 11,355 representing some 30 per cent of the employed labour force. In 1966 this number had risen to 17,868 which represented some 44 per cent of the employed workforce (Figure 6.4; ABS Population Census, 1933 and 1966). Migrants from NESB (initially mainly Greeks) began to settle in Marrickville in the 1960s when Australian manufacturing was in this growth phase. Many of these new settlers were able to find employment in the local Marrickville industrial plants, particularly the larger factories which had a demand for unskilled labour. In the two decades since the end of the 1960s the industrial economy of Marrickville has experienced widespread contraction of employment opportunity in certain types of manufacturing activity. The waves of migrants from different countries that have settled in the LGA have thus had varying access to local employment. Indeed, the period over which NESB migrant settlement has increased coincides with that over which the numbers of unskilled jobs in local industries has decreased.

Figure 6.4

Selected industry of residents

Marrickville, 1933 - 1986



Source: Population Censuses

Some of the processes which produced the major restructuring phase in Australian manufacturing in the mid 1970s to the early 1980s were:

- Concentration and centralisation of capital
- Increasing international ownership
- Technological change
- Emergence of new labour processes and industrial relations
- Production rationalisation and spatial relocation
- Increasing dominance of finance capital in production
- Retrenchment of labour

In the following case studies we examine the history of growth and restructuring in four large firms which have been major employers of local and migrant labour in the Marrickville area. We examine how these restructuring processes affected the local economy and where possible, how they affected opportunities for migrant employment.

What these four case studies all illustrate is the declining opportunity for employment of unskilled migrants in the local Marrickville economy as the many different restructuring processes transformed the face of industry in this inner city area.

6.3 Firm Case Studies

6.3.1 TRW Australia Limited

TRW Australia Limited, an automotive components manufacturer located on reclaimed swamp land in the south eastern part of the municipality, began operations in the area in 1921 as a family based partnership under the name of Daly and Hansford. In 1968 the company was taken over by an Australian subsidiary of TWR Inc. a large US corporation involved in producing advanced technology products for the automotive, aviation, electronics and defence industries (Sydney Morning Herald, 9th March, 1968). By 1974 the company had grown to employ 920 people at its Marrickville site, some 27 per cent of whom still lived in the municipality (Marrickville Council Gazette, 1974:10). Throughout the period of the long boom the company had provided steady employment; a quarter of the 1974 workforce had more than 10 years' continuous employment in the firm and 10 percent had over 25 years association with the firm.

In the following decade the effects of global restructuring in the motor industry, particularly the lifting of protective barriers around Australian manufacturing, had a drastic impact upon local suppliers to the automotive industry. Rationalisation of production activities and technological change were the two main causes of employment reduction. In 1985 the Marrickville TWR Aust. Ltd. factory employed 464 people, only half of its 1974 workforce. Of this workforce 52 per cent were from NESB (Marrickville Council Industry Survey, 1985).

6.3.2 Fowler's Pottery

The company R. Fowler Ltd. made vitreous china sanitaryware at a 16 acre site on Fitzroy Street Marrickville from 1919 to 1975. Originally a family company which had begun pottery production in the 1830s in Glebe, Fowler Potteries became a public company on its move to Marrickville. In 1937, on the occasion of the company's centenary, the labour intensive production process at the Fitzroy Street plant employed 450 workers producing over 1,000 different items. Mechanisation of production was limited at this plant, and the pottery provided employment for thousands of local people in the period 1919 to 1975 (Nicholls, 1987). In the last decade of its operations in the municipality the workforce contained a large proportion of migrants from NESB. The company instituted an Ethnic Representative Council made up of bilingual workers to liaise with the Greek, Italian, Yugoslav, Lebanese and Australian employees (Annual Report).

The takeover in 1968 by Newbold General Refactories Ltd., a wholly owned Australian company, appears not to have been associated with any major changes in the organisation of production until 1975. In the mid 1970s the workforce stood at 800 (Kompass Directories). In 1975 the Newbold Group opened a brand new sanitaryware plant at Wetherill Park in Sydney's west. This move represented a 'belated technological leap for R. Fowler Ltd.' (Annual Report) with the introduction of much greater degrees of automation, especially of the heavy lifting work but also of many of the skilled parts of the labour process such as glazing. The old Marrickville plant was closed and a much reduced workforce of 250 was resituated to the Wetherill Park plant. In the new plant the authoritarian time clock of scientific management was replaced by an innovative system of labour relations based upon formation of work groups, job rotation and multi-skilling. Migrants from NESB still comprised a large proportion (some 45 per cent) of the new plant's workforce and the Ethnic Representative Council continued to function as a central feature of industrial relations (Financial Review July 31, 1975).

Having undertaken widespread modernisation and rationalisation, the Newbold General Refactories was taken over, only a year later in 1976, by Manufacturing Resources of Australia Ltd. This takeover was an indication of the increasingly fluid investment climate which had begun to evolve in the late 1970s in which corporate trading became an end in itself. Manufacturing Resources continued to operate the Fowlerware production division at Wetherill Park for only 3 years before it was sold off to Reed Consolidated Industries. The property developer L.J. Hooker, a 50 per cent shareholder in Manufacturing Resources, had been particularly interested in the development potential of the old Marrickville pottery site. This site was subsequently developed as a new industrial park housing a number of smaller businesses.

6.3.3 Malco Industries Limited

Malco Industries Limited began life as Malleble Castings Limited at Rich Street Marrickville in 1915. The original foundry produced a broad range of metal parts including wheel hubs and brake drums for the automotive industry, ship's hardware and pipe fittings. The amalgamation of three small family run engineering firms saw the formation of Malco Industries in 1950. In the 1970s the foundry was the largest iron foundry in NSW and employed at its peak 1,404 workers. Products were exported to the UK, USA and Pacific Rim countries.

Employment growth was stemmed in the early 1970s with the increase of imported motor vehicle spare parts, the reduction of local content of cars and rationalisation in car assembly plants in Australia, particularly the closure of Leyland's operations (Malco Industries Limited Annual Report, 1975). Employment in 1975 stood at 746, half the 1970 level. In what seems to be an attempt to participate in the lowering of barriers to imports, a Merchandise Division of Malco Industries was established in 1974 to facilitate trade into and out of Australia. The high fixed component in the cost structure of the foundry made it particularly sensitive to lack of volume throughput and at various points in the early 1980s 4-day weeks were introduced to allow cutbacks in production. Continued retrenchments of the workforce took place throughout the 1980s. In 1985 the Marrickville Council Industry Survey found that the firm employed only 235 workers at its Marrickville site. Of these 75 percent were from NESB, the large majority being from Southern Europe and the Middle East.

An upturn in demand in the mid 1980s spurred on the introduction of additional computerised numerically controlled lathes and the reinstatement of all shifts. But in 1987 a new Board of Directors, dominated by a Melbourne merchant banking group, reoriented the industrial group towards strategic investment and investment banking. Engineering operations were contracted and concentrated at the Marrickville plant while other assets were sold.In 1988 the Marrickville plant was converted into cash with its sale to Moore Hydraulics Ltd.

6.3.4 John Vicars and Company

Vicars Woollen Mill was established in Marrickville in 1894 and by the end of the century was the largest factory in the municipality. The mill was established by William Vicars, the son of a Scottish migrant, John, who had been involved in managing and leasing textile operations in Sydney for twenty years and in Scotland before emigration. The Vicars family maintained management and ownership control over the company right up until its merger with the Australian Woollen Mills in 1965 (Walsh, 1987).

The mill produced all types of woollen and worsted cloth and was a major supplier for government army contracts. The company expanded rapidly in the twentieth century particularly under the protection from foreign imports provided by tariffs introduced in the inter-war period. In 1923 the mill at Marrickville had 120 looms and between 500 to 600 workers; by 1935 the number of employees had grown to 1,200 and production had doubled its 1920 level (Collingwood, 1984). The workforce was mainly drawn from the local Marrickville area and was dominantly female. However, the supervisory positions were always held by English or Scottish men. The company had a practice of recruiting skilled workers from the British Isles, particularly Yorkshire, much to the annoyance of the Australian born workers. The Vicars family managed the mill in a paternalistic manner, maintaining control over labour by hiring workers through kin networks and supplying skilled workers with cheap housing loans. In the 1960s the 'English family' atmosphere of the mill began to change with the employment of new migrants from NESB. The dyeing department was almost exclusively operated by Greeks in the late 1960s (Walsh, 1987).

Throughout the post World War II period the company continued to expand production, introducing new spinning and weaving equipment from Germany and Switzerland in the 1960s, and merging with Australian Woollen Mills Limited, also of Marrickville, in 1965. Production from the two plants was rationalised and concentrated all at the Vicars site (John Vicars and Co., Ltd., 1974).

With the decrease in protection of the textile industry in the early 1970s the company was forced to lay off workers. Employment declined from 860 in 1970 to 460 in 1976. In 1976 the company ceased operations at the Marrickville site and laid off the plant's workforce. Production continued in its other sites at more decentralised locations (Revesby, Oatley, St Mary's, Five Dock, Woonona).

The site of the Vicars Mill was bought by the property developer Lend Lease and sold to New World (Coles) in 1981. A large shopping complex, Marrickville Metro, was opened on the site in 1987.

6.4 Manufacturing Job Loss in Marrickville

Job loss in Marrickville has been concentrated in the manufacturing sector. As Table 6.1 shows, in 1969 22,893 people were employed in 714 manufacturing establishments with 4 or more workers in the municipality. There was a steady decline in manufacturing employment and establishments over the years until the early 1980s. In 1985 employment stood at 9795 which represents a loss of 57 percent of the manufacturing jobs in 1969.

Table 6.1 Manufacturing Firms and Employment, Marrickville LGA, 1969-85: Establishments with 4 or more workers

Year	Number of establishments	Number of workers	Average workers per establishment
1969	714	22893	32.1
1970	695	23119	33.3
1971	n/a	n/a	n/a
1972	681	20826	30.6
1973	657	19601	29.8
1974	658	19155	29.1
1975	504	17118	33.9
1976	510	15679	30.7
1977	502	14988	29.8
1978	476	13477	28.3
1979	469	12863	27.4
1980	466	11980	25.7
1981	451	10897	24.2
1982	469	10892	23.2
1983	472	9895	20.9
1984	484	9952	20.6
1985	472	9795	20.7

Source: ABS manufacturing censuses, cat no. 8203.1

Table 6.2 shows that the manufacturing sectors which experienced the most job loss were the textiles, non-metallic minerals products, fabricated metals, basic metals, other machinery and foods sectors. In the first three industries closures and retrenchments in the case study companies already discussed would account for much of this job loss. In 1969 the industries providing manufacturing employment in Marrickville for more than 2,000 workers were, in order of importance, the other machinery, food, fabricated metals, textiles and clothing industries. By 1985, no manufacturing sector had more than 2,000 workers, and the only sectors employing more than 1,000 workers were the clothing, other machinery, fabricated metals and paper industries, all sectors which typically involve factories with smaller workforces and capital bases. The 1985 Marrickville Council Industry Survey found that the majority of clothing, metal fabrication, engineering and printing firms in the municipality employed less than 25 workers (see Table 6.3).

Table 6.2 Manufacturing Jobs by Industry, Marrickville LGA, 1969-85: Firms with 4 or more workers

	No. of Jobs		Difference 1969-85	
	1969	1985	Number	Per cent
Food, beverages, tobacco	3170	732	-2375	-76
Textiles	2569	154	-2415	-94
Clothing	2052	1849	-203	-10
Wood etc	1059	663	-396	-37
Paper etc	1147	1275	128	11
Chemical	288	445	157	55
Non-Metallic	1243	53	-1190	-96
Basic Metals	1310	179	-1131	-86
Fabricated Metals	2615	1281	-1334	-51
Transport Equipment	1205	785	-420	-35
Other Machinery	4580	1484	-3096	-68
Misc Manufacturing	1718	895	-823	-48
Total	**22893**	**9795**	**-13098**	**-57**

Source: ABS manufacturing censuses, cat no. 8203.1

Table 6.3 Marrickville Council Industry Census, 1985: Establishments - Industry by Number of Workers

Industry	Number of workers						
	Unknown	1 - 4	5 - 9	10 - 24	25 - 99	100+	Total
No name given	4	0	0	0	0	0	4
Food	1	4	12	7	3	0	27
Clothing	6	26	24	20	7	0	83
Metals, Elect	3	17	10	7	3	1	41
Cars	3	32	15	3	1	0	54
Building	4	23	9	13	0	0	49
Cleaning	0	1	3	3	1	0	8
Distribution	1	4	6	3	2	2	18
Engineering	2	12	20	15	5	1	55
Printing	2	9	14	18	6	0	49
Packaging	0	1	2	2	1	0	6
Storage	11	21	27	15	4	0	78
Retail	2	3	2	2	0	0	9
Miscell.	6	22	31	31	13	2	105
Total	**45**	**175**	**175**	**139**	**46**	**6**	**586**

Notes:
1. Industry classifications are preliminary (not yet in ASIC), and further work will be required to allocate the miscellaneous cases.
2. The census was taken only in industrial areas, not retail areas. That is why so few retail establishments are included.
3. Number of workers in most cases includes the owner. The questionnaire did not distinguish between the two.

From the case firms studied it appears that from the end of the 1960s at least, migrants from NESB constituted a significant proportion of the workforce in large manufacturing plants in Marrickville. The processes of modernisation, rationalisation and relocation out of the inner city had a drastic impact upon the operations and employment levels of large firms in the municipality in the mid 1970s. It is interesting to note that of the industries with the largest employment levels in 1985, the clothing sector was the only one which showed a predominance of workers from NESBs (82 per cent, Marrickville

Council Survey, 1985). Australian and British born workers dominated the metal fabrication (54 per cent), engineering (50 per cent) and printing (70 per cent) industries (see Table 6.4). It would appear from these data that, given the nature of labour force segmentation, industrial restructuring in the municipality has had a greater impact, in terms of job loss, upon NES migrants than upon ES workers.

Table 6.4 Marrickville Council industry census, 1985: Establishments - Industry by Birthplace of Workers

Industry	Percent of workers in each industry born in specified birthplaces						
	Asia	Aust.	Brit.	Oth Eur.	Mideast	Other	Total
Food	16	13	9	60	0.5	0.2	100
Clothing	34	16	2	39	7	1	100
Metals, Elect	8	50	4	33	4	0.2	100
Cars	3	44	4	40	6	0.4	100
Building	19	41	6	29	4	0.2	100
Cleaning	17	43	9	26	4	0.1	100
Distribution	41	34	10	15	0	0	100
Engineering	5	45	5	34	8	2	100
Printing	7	66	4	18	5	0.2	100
Packaging	20	34	11	25	7	0.1	100
Storage	8	63	6	15	6	0.9	100
Retail	0	59	6	35	0	0	100
Miscell.	13	45	8	23	6	5	100
Total	**14**	**44**	**6**	**28**	**5**	**2**	**100**

Notes: 1. Industry classifications are preliminary (not yet in ASIC), and further work will be required to allocate the miscellaneous cases.
2. The census was taken only in industrial areas, not retail areas. That is why so few retail establishments are included.
3. Number of workers in most cases includes the owner. The questionnaire did not distinguish between the two.
4. Some 14 percent of the workers are not included in this table because birthplace information was not provided.

The evidence available suggests that the decline of large scale centralised factory employment has certainly taken place in the old inner city industrial area of Marrickville. And that as the overall manufacturing sector has declined, the role of smaller scale factory production has assumed greater importance in the local economy. For the clothing industry we have been able to trace a definite link between these two trends in the wider process of industry restructuring. It is in this sector that local NES migrants have continued to find a source of employment. As discussed in Section 4.2, two of the largest birthplace groups in Marrickville, Greeks and Vietnamese, are also the groups (along with Turks) most over-represented in the clothing industry generally. As industry restructuring has affected other manufacturing sectors in the local area, the major response had been to close, relocate out of the inner city, or modernise and drastically reduce manning levels. All of these processes have significantly cut local employment opportunities for NES migrants. In those sectors where restructuring has left only small scale operators in the local area, NES migrants are a minority of the labour force.

6.5 Clothing Industry and Outwork

The predominance of NES migrants in the clothing industry, and the small average size of clothing firms in the municipality points to another important restructuring process at work in this inner city area. Since the early 1970s when greater pressures were placed upon the clothing industry to cut costs in order to be able to compete with increased imports, there has been a marked closure of many of the larger (i.e. employing more than 100 workers) clothing factories in Sydney. A tabulation of clothing factory registrations in NSW revealed that in 1985, 78 per cent of factories employed less than 10 employees and only 8 per cent employed more than 30 workers (TNC, 1985: 35-38). At the same time evidence has emerged of a significant growth of manufacturing outwork, particularly in the fashion garments segment of the industry. Many of the small registered factories employing less than 10 workers subcontract work out to outworkers in the local area. The factory then operates as a marshalling centre where work is finished, pressed and packaged for sale. In 1985, the greatest concentration of clothing factory registrations in Sydney, outside of the traditional rag trade area of Surrey Hills, was in Marrickville LGA (188 registrations) particularly in the area south of Addison Road between Illawarra Road and the railway line (maps compiled by Sydney University Geography students using factory registrations data from DIR, 1986). Although accurate figures on the actual size of the hidden home workforce involved in sewing clothes on piece rates are not available, various estimates have been made. One method is to assume that many of the local Marrickville clothing firms subcontract to perhaps 5 to 10 outworkers. This would put an estimation of the number of outworkers in the municipality as something between 1,000 to 1,800. These estimates would put clothing outworkers at between 10 and 20 percent of all manufacturing workers in Marrickville LGA.

The clothing industry has traditionally been one in which immigrant workers find employment and set up business. As one of the Marrickville Vietnamese interviewees who owned a clothes pressing business put it; To set up in the clothing business '..does not require a tradesman's licence, (there is) not too much capital involved, (I) have a workshop at home already, and besides, the business does not require me to use too much English'. In Marrickville the clothing industry has traditionally been dominated by Greeks, but recently Vietnamese migrants have moved into the industry. From the Council Industry Survey we see that in 1985, 34 per cent of the workers in the local clothing industry were Asian, compared to 39 per cent from Europe. The Vietnamese, as the most recent entrants into this industry are forced to undercut established producers to carve out a niche in this highly competitive market. From our interviews with 9 Vietnamese manufacturers in the clothing business, (3 in Marrickville LGA) it is clear that the operations of these businesses are totally subordinated to the pricing policies of large Sydney wide clothing retailers whose market they supply. The maximum cost price of each garment (which is often less than a quarter of the retail price) is rigidly set by these large retailers. The subcontracted pressers and finishers who supply the stores with finished products are forced to find their profits in the savings made on the cost price of each task involved in making up the garment. Some producers try to gain and maintain a niche in the market by lowering their selling price, but most rely on maximising quality and minimising the number of faulty products. Most firms involved between 4 and 8 workers, including the owner and usually some family members. Most of these firms were engaged in finishing of precut garments. Although not specified, it would seem that most firms also involved the use of subcontracted outworkers to do the simple making up and sewing.

The general advantages for employers of production decentralisation into the homes of workers are numerous. The homeworker is paid on piece rates, supplies her own sewing machine, associated equipment and power, is not unionised and works out of sight of the scrutiny of industrial inspectors. Most outworkers are not paid award rates and do not receive any employment benefits (Women's Directorate, NSW Department of Industrial Relations and Employment, 1987). For those manufacturers tied into the fashion end of the market where the increasing velocity of seasonal and mid seasonal style changes give rise to short production runs, the move to smaller production units and outwork has been a necessity for staying in the market (Dallen, 1987).

6.6 Ethnic and Spatial Restructuring in Marrickville's Retail Sector

Another focus of employment in the municipality is in the business sector, particularly in retail establishments. This sector has experienced very different restructuring pressures than those operating upon manufacturing industry. The local retail sector serves a largely local market and thus is affected by international economic forces only indirectly e.g. via pricing of imported items for sale or the availability of finance for business development. One major trend in the retail sector over the past twenty years has been that towards centralisation and the growth of large shopping complexes which have captured the market of smaller corner groceries and shops. This trend, along with changing shopping habits e.g. less need to buy food daily as refrigerators and frozen food became more widespread, has led to the closure of many small retail establishments. In the old inner city this trend is evidenced by the number of derelict corner shops adorned with painted wall advertisements of yesteryear.

In those parts of the inner city where NES migrants settled a new vibrancy was injected into old declining retail areas. As migrant communities became established many immigrant shops and services were begun to cater for their particular needs. The larger modern shopping complexes did not accommodate migrant tastes or needs, so ethnic food stores and services moved into the old small shop fronts of the local area in which NES migrants lived. In Marrickville LGA, a survey of 1,012 small businesses conducted in 1988 found that ethnic business was particularly concentrated in the following shopping areas: Illawarra Road (84 per cent of small businesses owned by those from NESB), Dulwich Hill (80 per cent), Enmore Road (73 per cent), Petersham (72 per cent), Marrickville Road (70 per cent), Parramatta Road (69 per cent) and Sydenham (64 per cent) (Marrickville Retail Survey, 1988). In the more gentrified area of Stanmore the shopping centre had a comparatively lower proportion of businesses owned by NESB proprietors (36 per cent), as did King Street, Newtown (54 per cent) and the new shopping complex, Marrickville Metro (50 per cent) (See Table 6.7 for retail stores and Table 6.9 for all small firms in retail areas). Figure 6.5 provides a map of the municipality identifying the retail areas.

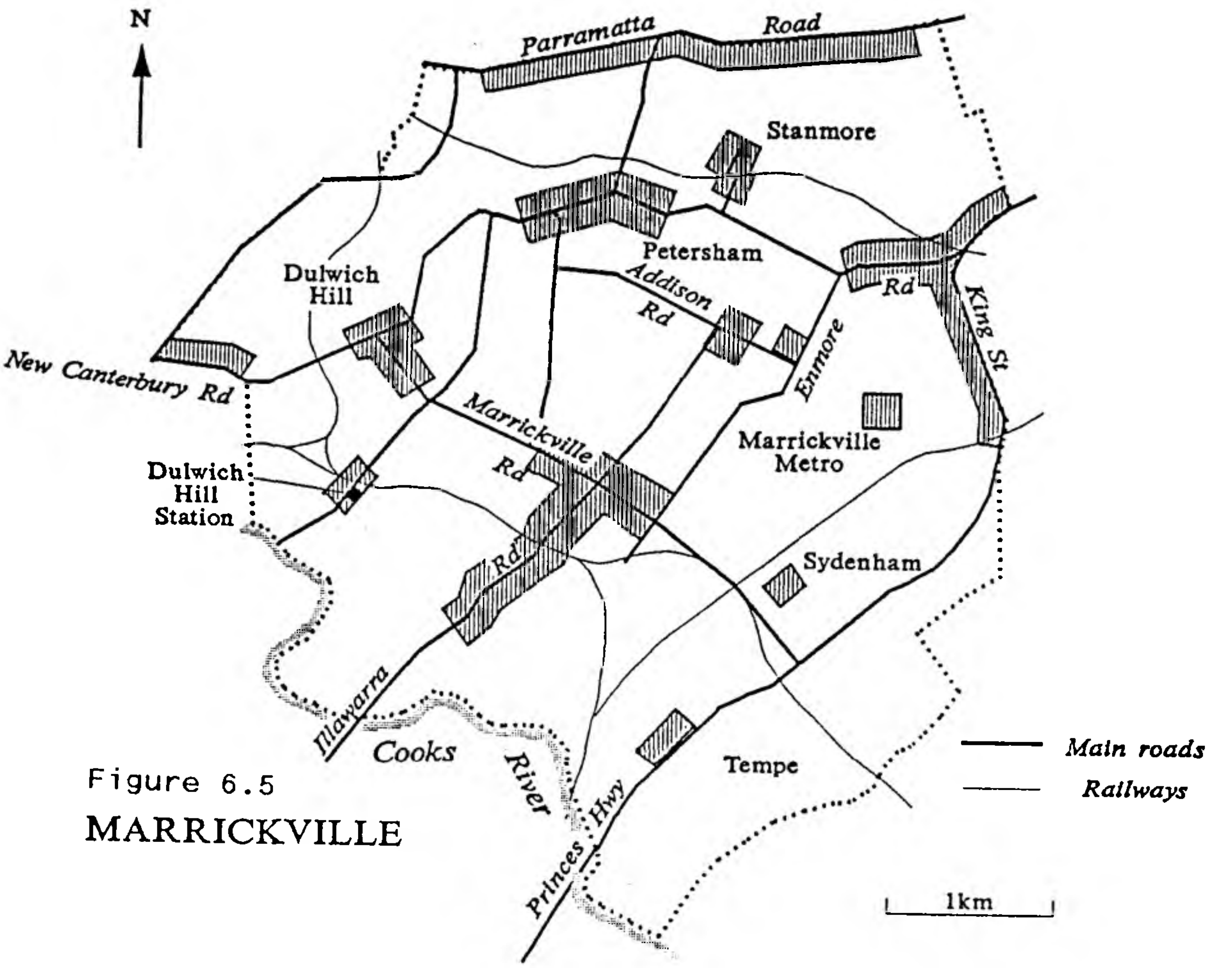


Figure 6.5
MARRICKVILLE

In all the shopping areas of the municipality only 31 per cent of businesses were owned by people born in Australia or other English speaking countries (UK and New Zealand). Of the remaining 69 per cent the largest single birthplace groups were from Greece (20 per cent), Italy (9 per cent), Vietnam (8 per cent) and Lebanon (7 per cent). See Table 6.9. Greeks were most highly concentrated in two types of activity, grocers, fish and take away food shops and clothing stores. This group is the longest standing NESB immigrant group in Marrickville, and it would appear that local Greek owned businesses are not especially targetted at the Greek community but serve a much broader market e.g. the small grocers shops stock a wide range of goods and are not very distinctive. The most recent NESB migrants to have settled in the local area, the Vietnamese, were most highly concentrated in clothing stores, grocers, butchers and restaurants. Interviews revealed that these businesses were much more likely to be catering to an ethnic market. The groceries were very distinctive Asian groceries, the restaurants catered to the Asian customer particularly at mid morning and lunch time meals, and the butchers stocked cuts of meat suited to Asian cooking. Although this group did not own the majority of businesses in any shopping area, the most marked transferral of business between ethnic groups has been to Vietnamese from other ethnic groups. On average Vietnamese businesses had been owned for 2 years, whereas for other birthplace groups the average length of ownership was 4 years.

While duration of ownership is not the best indication of the stability of small business, it is interesting to note the shortness of the average tenure. Small businesses are noted for a high turnover of ownership as business failure is common. They often rely upon a rather unpredictable market and owners are usually reliant upon limited funds to keep operations going. Information from the ABS Retail Survey shows that the turnover per worker in the types of businesses in which migrants are concentrated is rather low. For example, in 1986 fish shops and takeaway food shops in Marrickville LGA had an average annual turnover per worker of $29,000 per annum, compared to $124,000 for floor covering stores (See Table 6.16). The actual annual turnover of fish shops was second only to that of second hand goods stores as the lowest for all categories of retail establishments in the local area.

6.7 *Residential Restructuring*

For the residents of Marrickville municipality, there has been a steady decline in manufacturing employment since 1966 with the greatest decrease occurring between 1971 and 1976, as shown in Table 6.5. The total employed labour force living in Marrickville declined by 13,087 (i.e. by 28 per cent) between 1971 and 1986. This decline can partly be seen as a result of falling population due to smaller households and migration out of the inner city to outer suburbs, and greater unemployment levels in the inner city (unemployment in the LGA rose by 92 per cent between 1981 and 1986). But by far the major reason for the decrease in the employed labour force stems from the loss of jobs in the LGA. Figures from the census journey to work data show that over the period 1971 to 1981 there was a reduction of 7,803 in jobs in the municipality (which included some residents of other areas). Over the same period there was a loss of 10,000 in jobs held by residents (Table 6.5). The travel to work data needs to be inflated by about 15 per cent to allow for those without fixed workplaces (like taxi drivers), and people who did not go to work on the day before the census, so the job loss experienced by Marrickville workers was almost identical with the level of job loss experienced by Marrickville residents.

Table 6.5 Marrickville LGA: Industry Changes 1933-1986

	1933	1966		1971	1976		1981	1986
Agriculture	238	47		39			42	40
Mining	95	12		43	15		28	36
Manufacturing	11355	17868		17413	12659		9681	7097
Food,drink,tobacco			1954			1938		
Textiles			1161			2205		
Clothng/footwear			2564					
Wood						613		
Paper			1247					
Metal			5306			4682		
Electricity, Gas	413	806		715	853		673	531
Construction	3020	2902		3262	1853		1691	1669
Trade*	7902	5751		7387	6091		52679	5220
Wholesale			2356			2216		
Retail			3395			3876		
Transport,storage	2994	2635		2863	2542		2579	2461
Communication	446	898		959	1034		1043	1079
Finance		1198		2320	1913		2772	3602
Pub Admin	2994	1018		1497	1564		1673	1828
Community Svcs	2370	3249		3223	3686		4680	5630
Entertainment	370	2391		2169	1775		2083	2364
Other and not spec	2615	1199		4437	4594			
Total	38252	39974		46327	38598		36338	33240

* In the year 1933 Trade included finance

Over the 15 year period 1971 to 1986 the resident labour force engaged in manufacturing declined by 10,316 (i.e. by 57 per cent). Some 78 per cent of the decline in the employed labour force of the municipality was accounted for by declining manufacturing employment. Sectors with employment growth provided less than half as many new jobs as were lost in manufacturing (4,335). These growth industries were communication, finance, public administration, community services and entertainment sectors.

The occupational status of the labour force also changed. Consistent with the decline in manufacturing employment, there was a decline in wage or salary earners (of 10 per cent over the 1981-1986 intercensal period). At the same time there was an increase of the self-employed (6 per cent) and employers (22 per cent) as shown in Table 6.6. These trends in occupational status indicate that there may be some relationship between retrenchment in the manufacturing sector and the increase in self-employment and small business, although we cannot conclude that the same individuals are involved in both movements. Moreover the growth in unemployment during 1981-86 (about 1100) was far greater than the tiny numerical increase in those classified as self-employed or employers (about 250).

Table 6.6 Status of Workers, Marrickville LGA, 1981-86

	1986	1981	Change
Employed			
Wage or salary earner	30,259	33,634	-10.0%
Self employed	1,968	1,864	5.6%
Employer	861	707	21.8%
Unpaid helper	152	133	14.3%
Unemployed	6,474	3,381	91.5%
Total labour force	39,714	39,719	0.0%
Not in the labour force (aged 15+)	23,534	25,132	-6.4%

Source: Population censuses, 1981 and 1986

Table 6.7 Retail Survey: Marrickville Small Retail Business Survey, 1988: Birthplace of Business Owners by Shopping Area. Type of establishment: Retail

Parramatta Rd	29	6	26	6	14	.	3	4	10	3	100	70
Dulwich Hill	18	1	6	35	3	10	15	4	8	.	100	72
Enmore Rd	25	4	4	29	10	6	4	6	5	6	100	77
King St	45	3	5	13	12	.	8	3	8	2	100	60
Marrickville Rd	29	.	5	25	6	18	5	1	7	3	100	96
Illawarra Rd	6	3	6	34	6	29	9	3	6	.	100	35
Marrickville Metro	44	5	7	12	5	5	9	5	5	5	100	43
Stanmore	45	20	10	.	10	5	5	.	5	.	100	20

Table 6.8 Retail Survey: Marrickville Small Retail Business Survey, 1988: Birthplace of Business Owners by Shopping Area. Type of Establishment: Non Retail

Suburb	Birthplace of Owner											
	Aust-ralia	Brit/NZ	Italy	Greece	Other Europe	Vietnam	Lebanon	Turkey /Egypt	Other Asia	Other	Total	
	%	%	%	%	%	%	%	%	%	%	%	No.
Parramatta Rd	23	.	29	3	9	6	.	.	14	17	100	35
Dulwich Hill	17	3	10	21	14	10	14	3	3	3	100	29
Enmore Rd	20	5	2	29	22	.	5	5	7	5	100	41
King St	32	5	.	5	32	11	5	5	.	5	100	19
Marrickville Rd	33	.	7	37	7	7	.	.	10	.	100	30
Illawarra Rd	18	6	.	12	3	35	18	.	6	3	100	34
Marrickville Metro	67	.	.	.	.	.	33	.	.	.	100	3
Stanmore	63	.	13	6	6	.	.	6	.	6	100	16
Sydenham/Temp	33	.	.	33	33	.	.	.	.	.	100	3
Petersham	2032	4	4	11	21	7	4	4	11	4	100	28
Addison Rd	17	.	33	17	8	.	.	25	.	.	100	12
LGA total	27	3	9	17	14	9	6	4	7	5	100	250

Table 6.9 Retail Survey: Marrickville Small Retail Business Survey, 1988: Birthplace of Business Owners by Shopping Area (Total)

Suburb	Birthplace of Owner										
	Aust-ralia	Brit/ NZ	Italy	Greece	Other Europe	Vietnam	Lebanon	Turkey /Egypt	Other Asia	Other	Total	
	%	%	%	%	%	%	%	%	%	%	%	No.
Parramatta Rd	27	4	27	5	12	2	2	3	11	8	100	105
Dulwich Hill	18	2	7	31	6	10	15	4	7	1	100	101
Enmore Rd	23	4	3	29	14	4	4	6	6	6	100	118
King St	42	4	4	11	16	3	8	4	6	3	100	79
Marrickville Rd	30	.	6	28	6	15	4	1	8	2	100	126
Illawarra Rd	12	4	3	23	4	32	13	1	6	1	100	69
Marrickville Metro	46	4	7	11	4	4	11	4	4	4	100	46
Stanmore	53	11	11	3	8	3	3	3	3	3	100	36
Sydenham/Temp	36	.	4	36	16	.	4	.	4	.	100	25
Petersham	25	3	13	12	13	4	10	6	10	4	100	69
Addison Rd	21	5	21	21	5	5	.	16	5	.	100	19
LGA total	28	3	9	20	10	8	7	4	7	4	100	793

Table 6.10 Retail Survey: Marrickville Small Retail Business Survey, 1988: Birthplace of Owners, Current and 3 Years Ago. Type of Establishment: Retail

Birthplace of current owner	Birthplace of Owner 3 years ago											
	Aust-ralia	Brit/ NZ	Italy	Greece	Other Europe	Vietnam	Lebanon	Turkey /Egypt	Other Asia	Other	Total	
	%	%	%	%	%	%	%	%	%	%	%	No.
Australia	98	6	2	4	7	.	.	.	.	15	28	132
Brit/NZ	.	94	.	.	.	.	.	.	3	.	4	18
Italy	.	.	93	.	.	.	.	.	3	.	9	40
Greece	1	.	.	89	.	3	.	.	.	.	22	103
Other Europe	.	.	.	3	90	.	.	.	.	.	9	41
Vietnam	1	.	.	3	.	90	.	.	.	.	7	32
Lebanon	.	.	2	1	.	.	100	.	3	.	8	36
Turkey/Egypt	.	.	.	.	2	.	.	100	.	.	4	17
Other Asia	.	.	2	1	.	3	.	.	92	.	8	36
Other	.	.	.	.	.	3	.	.	.	85	3	12
LGA total	100	100	100	100	100	100	100	100	100	100	100	467

Table 6.11 Retail Survey: Marrickville Small Retail Business Survey, 1988: Birthplac of Owners, Current and 3 Years Ago. Type of Establishment: Non Retail

Birthplace of current owner	Birthplace of Owner 3 years ago											
	Aust-ralia	Brit/ NZ	Italy	Greece	Other Europe	Vietnam	Lebanon	Turkey /Egypt	Other Asia	Other	Total	
	%	%	%	%	%	%	%	%	%	%	%	No.
Australia	98	.	5	6	3	.	.	.	.	.	30	54
Brit/NZ	2	100	.	.	.	.	.	.	.	.	3	5
Italy	.	.	95	.	.	.	.	.	.	.	11	19
Greece	.	.	.	90	.	.	.	.	.	.	16	28
Other Europe	.	.	.	.	93	.	.	.	.	.	15	27
Vietnam	.	.	.	3	.	100	.	.	.	.	4	7
Lebanon	.	.	.	.	.	.	100	.	.	.	5	9
Turkey/Egypt	.	.	.	.	3	.	.	100	.	.	4	8
Other Asia	.	.	.	.	.	.	.	.	100	.	6	10
Other	.	.	.	.	.	.	.	.	.	100	7	12
LGA total	100	100	100	100	100	100	100	100	100	100	100	179

Table 6.12 Retail Survey: Marrickville Small Retail Business Survey, 1988: Birthplace of Owner by Type of Business

Type of business	Birthplace of Owner											
	Australia	Brit/ NZ	Italy	Greece	Other Europe	Vietnam	Lebanon	Turkey /Egypt	Other Asia	Other	Total	
	%	%	%	%	%	%	%	%	%	%	%	No.
Clothing/ footwear	29	3	7	19	11	12	4	3	11	1	100	73
Furniture/fabric	9	9	18	15	18	12	3	12	6	.	100	34
Appliance/ hardware	27	2	11	23	7	2	11	2	7	7	100	44
Jeweller/video	40	.	8	4	8	12	8	16	4	.	100	25
Motor vehicles	38	.	19	25	3	.	3	3	6	3	100	32
Grocers etc	12	3	5	30	2	20	15	2	8	3	100	60
Butchers	29	3	3	26	12	15	6	.	3	3	100	34
Fruit and florists	33	.	15	24	9	3	6	3	3	3	100	33
Liquor stores	56	.	.	11	22	.	.	.	11	.	100	9
Bread and cake	10	5	5	33	5	19	10	.	10	5	100	21
Take away food	16	5	9	27	7	4	15	4	12	1	100	81
Pharmacies/ photo	41	.	7	21	3	7	.	10	3	7	100	29
Sports, gifts	30	4	22	17	13	.	9	.	4	.	100	23
News/ booksellers	77	5	5	5	.	.	.	.	5	5	100	22
Secondhand goods	57	13	.	4	17	.	.	.	4	4	100	23
Medical,dental	37	.	2	21	12	10	10	.	8	2	100	52
Other office	50	.	.	17	.	17	.	.	17	.	100	6
Real estate/ travel	24	3	3	18	38	.	3	6	3	3	100	34
Hairdresser	31	.	20	11	16	4	9	2	.	7	100	45
Dry cleaner etc.	9	3	9	21	12	15	6	15	.	12	100	34
Misc manuf	57	.	7	14	.	.	.	.	.	21	100	14
Restaurants	5	3	16	8	11	27	3	.	24	3	100	37
Pub, nightclub	46	23	8	23	.	.	.	.	.	.	100	13
Other	27	7	7	27	.	.	13	7	13	.	100	15
All businesses	28	3	9	20	10	8	7	4	7	4	100	793

Table 6.13 Retail Survey: Marrickville Small Retail Business Survey, 1988: Birthplace of Owner by Type of Business

Type of business	Birthplace of Owner										
	Australia	Brit/ NZ	Italy	Greece	Other Europe	Vietnam	Lebanon	Turkey /Egypt	Other Asia	Other	Total	
	%	%	%	%	%	%	%	%	%	%	%	No.
Clothing/ footwear	9	8	7	9	10	13	5	7	14	4	9	73
Furniture/fabric	1	12	8	3	8	6	2	14	4	.	4	34
Appliance/ hardware	5	4	7	6	4	1	9	3	5	11	6	44
Jeweller/video	5	.	3	1	3	4	4	14	2	.	3	25
Motor vehicles	5	.	8	5	1	.	2	3	4	4	4	32
Grocers etc	3	8	4	11	1	18	16	3	9	7	8	60
Butchers	5	4	1	6	5	7	4	.	2	4	4	34
Fruit and florists	5	.	7	5	4	1	4	3	2	4	4	33
Liquor stores	2	.	.	1	3	.	.	.	2	.	1	9
Bread and cake	1	4	1	4	1	6	4	.	4	4	3	21
Take away food	6	15	10	14	8	4	21	10	18	4	10	81
Pharmacies/ photo	5	.	3	4	1	3	.	10	2	7	4	29
Sports, gifts	3	4	7	3	4	.	4	.	2	.	3	23
News/ booksellers	8	4	1	1	.	.	.	.	2	4	3	22
Secondhand goods	6	12	.	1	5	.	.	.	2	4	3	23
Medical,dental	9	.	1	7	8	7	9	.	7	4	7	52
Other office	1	.	.	1	.	1	.	.	2	.	1	6
Real estate & travel	4	4	1	4	16	.	2	7	2	4	4	34
Hairdresser	6	.	13	11	9	3	7	3	.	11	6	45
Dry cleaner etc.	1	4	4	4	5	7	4	17	.	14	4	34
Misc manuf	4	.	1	1	.	.	.	.	.	11	2	14
Restaurants	1	4	8	2	5	15	2	.	16	4	5	37
Pub, nightclub	3	12	1	2	.	.	.	.	.	.	2	13
Other	2	4	1	3	.	.	4	3	4	.	2	15
All businesses	100	100	100	100	100	100	100	100	100	100	100	793

Table 6.14 Retail Survey: Marrickville Small Retail Business Survey, 1988: Average Duration of Ownership by Birthplace of Owner

	Duration of ownership	
	Average	Number
Birthplace		
Not specified	0.2	219
Australia	4.1	222
Brit/NZ	3.8	26
Italy	4.4	72
Greece	4.4	157
Other Europe	4.1	79
Vietnam	2.0	67
Lebanon	3.9	56
Turkey/Egypt	4.0	29
Other Asia	3.3	57
Other	4.1	28
All birthplaces	3.1	1012

Table 6.15 **Retail establishments, Marrickville LGA, 1980 and 1986**

	Number of Establishments					
	1980		1986		Change 80-86	
		Subtotal		*Subtotal*		*Subtotal*
Dept stores	2		0		- 2	
General stores	2		3		1	
---*Dept and General*		*4*		*3*		*- 1*
Mens and boys wear	30		19		- 11	
Womens and girls wear	62		51		- 11	
Footwear	20		13		- 7	
Fabrics and textiles	19		22		3	
Floor coverings	6		6		0	
Furniture	17		17		0	
---*Cloth,fabric,furniture*		*154*		*128*		*- 26*
Domestic hardware	10		21		11	
Watchmakers	17		13		- 4	
Music stores	4		2		- 2	
Household appliance	28		47		19	
---*House. appl and hardware*		*59*		*83*		*24*
New motor vehicle	67		66		- 1	
Used motor vehicle	24		20		- 4	
Service station	43		39		- 4	
Smash repair	61		59		- 2	
Motor cycle	2		3		1	
Boat and caravan	3		4		1	
Tyre and battery	8		4		- 4	
---*Motor vehicle shops*		*208*		*195*		*- 13*
Grocers,confect,tobacco	202		168		- 34	
Butchers	67		55		- 12	
Fruit and veg	39		34		- 5	
Liquor	11		14		3	
Bread and cake	18		18		0	
Fish shops, takeaway food	93		113		20	
---*Food shops*		*430*		*402*		*- 28*
Pharmacies	38		31		- 7	
Sports and toy	15		18		3	
Newsagents,booksellers	27		34		7	
Secondhand goods	32		35		3	
Nurserymen and florists	7		9		2	
Retailing nec	14		16		2	
---*Other retail*		*133*		*143*		*10*
Total	988	*988*	954	*954*	- 34	*- 34*

Excludes shoe repairers and electrical appliance repairers which were removed from retail classification in 1978.
Source: Retail censuses, 1979-80, 1985-86

Table 6.16 Retail Establishments: Marrickville LGA, 1980 and 1986: Number of Workers and Establishments

	Workers	Subt	Establishments	Subt	Turnover	Subt	Turnover per estab.•		Turnover per worker •		Workers per estab	
Dept stores			0									
General stores	103*		3		7106*		2369		69		34.3	
—Dept and General		*103**		*3*		*7106**		*2369*		*69*		*34.3*
Mens and boys wear	49		19		3534		186		72		2.6	
Womens & girls wear	191		51		8625		169		45		3.7	
Footwear	47		13		2873		221		61		3.6	
Fabrics and textiles	55		22		4338		197		79		2.5	
Floor coverings	31		6		3836		639		124		5.2	
Furniture	70		17		8276		487		118		4.1	
—Cloth,fabric,furn.		*443*		*128*		*31482*		*246*		*71*		*3.5*
Domestic hardware	74		21		5316		253		72		3.5	
Watchmakers	35*		13		2138*		164		61		2.7	
Music stores	4*		2		386*		193		97		2.0	
Household appliance	114		47		10913		232		96		2.4	
—House. appl & hardware		*227**		*83*		*18753**		*226*		*83*		*2.7*
New motor vehicle	364		66		40775		618		112		5.5	
Used motor vehicle	66		20		14928		746		226		3.3	
Service station	172		39		26078		669		152		4.4	
Smash repair	275		59		11320		192		41		4.7	
Motor cycle	13*		3		1877*		626		144		4.3	
Boat and caravan	14*		4		2446*		612		175		3.5	
Tyre and battery	18		4		1185		296		66		4.5	
Motor vehicle shops		*922**		*195*		*98609**		*506*		*107*		*4.7*
Grocers,confect,tob.	665		168		63166		376		95		4.0	
Butchers	193		55		14059		256		73		3.5	
Fruit and veg	114		34		7442		219		65		3.4	
Liquor	61		14		14053		1004		230		4.4	
Bread and cake	66		18		2528		140		38		3.7	
Fish shops, T/A food	453		113		12933		114		29		4.0	
—Food shops		*1552*		*402*		*114181**		*284*		*74*		*3.9*
Pharmacies	161		31		10451		337		65		5.2	
Photographic equip.			0									
Sports and toy	38		18		4965		276		131		2.1	
Newsagents&Booksellers	125		34		8126		239		65		3.7	
Secondhand goods	79		35		3186		91		40		2.3	
Nurserymen,Florists	26		9		987		110		38		2.9	
Retailing nec.	39*		16		2495*		156		64		2.4	
—Other retail		*468**		*143*		*30210**		*211*		*65*		*3.3*
Total	3715	3715	954	954	300342	300342	315		81		3.9	

* Estimated • Turnover in thousands

ETHNIC SMALL BUSINESS STUDY: RESEARCH FINDINGS

7.1 The Ethnic Small Business Survey: An Overview

An in-depth survey was undertaken of 165 small business owners from NES backgrounds. Interviewers with the relevant language skills were employed to undertake the interviews using partly-structured questionnaires. Respondents were asked about their work history and experience of small business, the ethnic composition of their clientele and suppliers, the extent of independence or interdependence of their firms, their working conditions, the problems of setting up and running a business, the family dimension of the business, their geographical and social mobility, the impact of wider economic processes (such as restructuring) on them, and the impact of their jobs on other aspects of their lives. Other comments they made were also recorded. The methodology is described in greater detail in Chapter 3.

The sample was concentrated in Sydney's most multicultural suburb, Marrickville, and the western part of Sydney's migrant belt. Almost a half of the firms were in the retail sector, with most of the rest being equally divided between services and manufacturing. The sampling approach focused on 5 ethnic groups: Greeks (30), Italians (46), Lebanese (35), Latin Americans (18) and IndoChinese (36).

Most of the interesting material from this survey is the comments and recorded experiences of the business owners. Some of the statistical material, such as reported turnover, is fairly unreliable, and the small sample size makes detailed statistical analysis difficult. However there are some trends and patterns which emerge from a more quantitative approach, and these are described where appropriate. Before discussing these in detail we present case studies of ethnic entrepreneurs from five ethnic groups, a Lebanese property developer, a Chilean hairdresser, a Greek owner of a take-away food shop, an Italian butcher and a Vietnamese clothing manufacturer.

7.2 Five Case Studies of Ethnic Small Businesses

Maurice C. Lebanese Migrant, Property Developer

'People are like sheep. They'll follow the path others have taken.'

Maurice C. migrated as a child to Sydney from Lebanon in 1956. He left a small farming village in northern Lebanon in which his family were poor tenant farmers working on land owned by the church. His elder brother had already migrated to Australia and his parents decided that the whole family should follow them as 'there was no future in our village'. Now, some thirty years later, he estimates that about 90 percent of the people of his village are settled in Sydney.

'We were the first post-World War II wave, we had no connection with the well-off pre-war migrants, who anyhow had integrated completely.'

Maurice finished his secondary schooling in Sydney and then worked in a factory for three years and an office for 4 years. In 1967 he took up a scholarship to university to study Philosophy. His wife, who had migrated in 1959, gained very little additional education in Australia. Her family was very poor and she had to work at an early age. Before marrying John in 1970 she worked as a machinist in a clothing factory for 8 years.

'There was no other chance for advancement, we could not make money simply on wages and still send remittances to our family in Lebanon. The residential building industry was booming and it was the 'in-thing' with Lebanese migrants at the time.'

During his 10 years as a student studying for a BA and MA Maurice was peripherally involved in a property development company begun by his elder brother in 1966. The business was started using the individual savings of Maurice and three of his brothers. Their initial capital amounted to $20,000, and this was enough to borrow bank and finance company loans amounting to $80,000. From 1966 to 1974 the business was based in the inner-west and was involved in buying land, getting development approval, constructing residential units and town houses on the sites and selling or renting out the constructed dwellings. Maurice joined the family business full time in 1977.

'My wife's family is also in the construction industry, and many Lebanese relatives and friends from my village also...it's become a tradition.'

Many Lebanese migrants work in the construction industry, but neither Maurice nor any of his six brothers currently involved in the business had any previous experience in construction. All production of new buildings is done by subcontractors, some of whom may be Lebanese. The brothers concentrate their efforts on procuring properties, assessing their development potential, organising credit, supervising the subcontracted architects and builders and selling or renting the new properties. The company has never relied on a Lebanese clientele.

Since the death of the oldest brother, Maurice has managed the office and taken care of feasibility studies, legal and financial work. Another brother buys and sells properties and four other brothers work as foremen on the development sites. Apart from the six brothers there are 10 salaried employees, four of whom are Lebanese - 4 foremen, 2 office girls and 4 permanent labourers. The brothers' wives are all shareholders, but the men are directors. Some of the wives work in real estate agencies which search out properties for redevelopment or manage the businesses' rental properties. All in all the business comprises twelve separate companies, an organisational structure which minimises tax.

'It's a very vulnerable industry because it relies on long term forecasting during which time the market could change dramatically. Our industry is financed through credit. We need to avoid bankruptcy because the name is very important in order to get credit.'

'Banks are often very excited to do business with ethnics because we're seen as pioneering.'

Throughout the years of its operation Maurice's family business has not encountered problems with gaining credit. In the early days of Sydney's property boom credit was easy to access, especially if it was to be used in the urban consolidation style of property development in which this company was involved in. A small amount of initial capital was sufficient to get business going. At the time of the credit squeeze of 1974, business was concentrated in the inner west of Sydney and was $2 million in debt. While many of the smaller companies went under at this time, this company was large enough to maintain banker confidence and managed to refinance and restart business, this time on the lower North Shore. As the company evolved it became oriented more towards the upper end of the housing market, concentrating on quality rather than quantity in their redevelopments.

'Unlike many small business people, in our family we spend and live well.'

Currently the business has a turnover of between $10 and $12 million.

Carmen B., Chilean Migrant, Hairdresser

'We wanted to travel to South East Asia initially and there was advertising to go to Australia so we decided that being young it would be a good opportunity. Also, life was getting expensive in Spain.'

Carmen B. left Chile in 1974 and migrated to Spain with other family members and her new husband. In Madrid she worked as a sales assistant during the day and at night completed a course in hairdressing, a trade she had begun training for in Chile. Her husband was in the merchant navy. In 1976 they bought a cake shop which they ran for 4 years before migrating to Australia.

'Although I finally bought it in 1986, I had worked in this shop since 1983 and was negotiating with the owner. It was a good opportunity to work for myself again.'

Using the personal savings of her husband and herself and a bank loan which provided some 90 percent of the start-up capital, Carmen bought a hairdressing business on a very busy road in the inner west of Sydney. There had been a hairdressing salon on this site for many years and most recently the business had been owned by a Chinese proprietor. The shop has a dwelling above in which Carmen and her husband live, and the building is owned by an Italian.

Carmen's family had been involved in small business in Chile and Spain. In Chile her father had a fish market stall and caught fish as well and her mother worked in a canning factory. A brother-in-law ran a dental clinic. In Spain a sister ran a fabric shop and another brother-in-law, a transport business.

Her husband had been less involved in small business. His father had been an electrician employed by the government. He had worked in the merchant navy for five years after leaving school and had helped out in the cake shop they started in Madrid. In Spain he also drove trucks for a transport company. In Australia Carmen's husband was employed as a truck driver and his involvement in the hairdressing business was only to provide some initial finance to help set up.
'My main competitors are other hairdressing salons very close by. There are too many salons in this area and they under cut a lot. My business has dropped off. Many older clients have moved away. Initially, I had three people working here. Now there is only enough work for me.'

On average Carmen would serve about 12 customers each day, about half would be Spanish speakers or from South America. The business turnover is less than $1,000 per week. With such a small capital flow the business cannot afford to lower prices. The competition from larger shopping complexes nearby has meant a decline in trade. A friend has had to close a health food shop nearby because of similar pressures. They were unable to sell their business and lost all their money.

'All the responsibility of the business is on me as I can't find a business partner. The financial burden puts a lot of pressure on our relationship. I have found it much more difficult in Australia. There is no time to relax, work is all-consuming.'

Carmen works 6 days a week and has not had a holiday since 1982 when she started working in the hairdressing business. She hopes in the future to live in a different area of Sydney, either improve or sell the business and have children. She is in her early thirties.

George A., Greek migrant, Takeaway Food Shop Owner
'Most of my family had come to Australia.'

George A. migrated to Australia in 1974 with his parents and brother. The family came from Sparta where his father was a carpenter and his mother looked after the home and family farm. George left school young. In Greece he completed primary school and then worked as an assistant to an electrician for three years and as a waiter in a cafe in Sparta for a year.

On arrival in Australia he found a job as a painter for $60 a week. After three years in this job he moved again into the service sector. He worked in a takeaway food shop for $100 a week in 1977, a coffee lounge for $170 a week in 1978 and a chicken shop for $300 a week in 1979-80. By the time he and his brother started up their own BBQ chicken shop in Burwood in 1981 George had gained considerable experience in this line of business.

'I went into this business mainly for the money and the challenge of working for myself.'

George and his brother jointly own and run the business and each provided 50 percent of the start up capital. They bought all their equipment new at the outset and installed air conditioning two years ago. The average weekly turnover is above $5,000.

'We would serve about 400 customers a day but only a handful would be Greek. Our main competitors are the major food outlets like McDonalds, Kentucky Fried Chicken, Red Rooster and shops in the Westfield complex.'

The business can compete successfully by selling quality food at a cheaper price and restricting overheads by not advertising. Apart from George and his brother, the business now employs three workers to serve and clean the shop. Two of these employees are Greek and one is Ukranian. Each employee works 25 hours per week and George and his brother work 65 hours. George uses his profits to invest in property.

'I find I don't have enough time for socialising with my family and friends.' George still lives at home with his parents and is unmarried.

Alfredo T., Italian Migrant, Butcher

'My parents migrated out of curiosity and because my father's brother was coming to Australia.'

Alfredo T. migrated to Australia in 1969, he was just 6 months old. His mother and father and two brothers came from a small village near Rome. His parents had known each other since they were children and had only been married a few years before migrating. In Italy Alfredo's father had run his own butchery. His mother had worked on the family farm before marriage.

'The business required too many hours to get enough profit to make it worthwhile (all the children were at school then).'

The family settled in Leichhardt and while the children were growing up Alfredo's father worked as a butcher in other people's shops and his mother as a cook. In 1976 the father opened his own business. This venture lasted for five years, but as the children could not help run the business, Alfredo's father was forced to close down and seek waged employment as a butcher again. He took up work in a shop on a busy street in the Italian part of Sydney. The owner was an Anglo Australian and the business was not particularly oriented towards an Italian clientele.

'My father thought he could make "more money" if he owned the business.'

When the owner of the shop retired Alfredo's father took over the business using personal savings and a loan from the bank. By now Alfredo's older brother could work in the shop together with his father. The business now employs both parents, Alfredo and his older brother, another full time and two part time workers.

'The business has grown and diversified into selling not just meat, but also small goods and some select continental lines such as pasta, oil, and tinned tomatoes. We now sell to more restaurants, more business clients and more Italians.'

Now about 90 percent of the customers are Italian and Italian is spoken to most people. The shop gets many large orders from local restaurants and bistros and can compete with other butcheries in the area by offering good service and top quality meat. While all the carcasses are bought from large companies, the suppliers of other goods sold are mainly other small Italian businesses operating in the area. The average weekly turnover is between $1,000 and $3,000.

'We have family arguments over the business. There is not enough free time. Not enough time to attend to basic things like buying clothes. The problem is the number of hours we need to work and the quantity of work that needs to be done.'

Until recently all the family members involved in the business worked a 70 hour week. But Alfredo's father has been sick and his mother's health is also not good. They have cut back their hours and have bought a coffee shop together with an uncle. Alfredo would like to further his studies to see what other employment possibilities he could have. He is concerned about the health hazards of the butcher's job.

Hue T., Vietnamese Migrant, Clothing Manufacturer

'My brother was a National Army officer and our family business suffered many oppressions and discriminations from the Vietnamese government, so we came to Australia to seek freedom.'

Hue T. migrated to Australia in 1980 and was followed by his brother and his wife two years later. They came from a city in South Vietnam where Hue's family had a clothing manufacturing business. Both his parents were tailors and he had worked as a tailor for three years since leaving school.

On arrival in Australia Hue spent the first year learning English and then working as a sewing machinist in a Perth factory. He then moved to Sydney to live with his brother and his wife. His brother had spent five years in the South Vietnamese army and another five in a reeducation camp. After two years of unemployment in Vietnam he and his wife migrated to Australia where Hue had already come. In Sydney Hue worked again as a sewing machinist in various factories. His brother was employed as a process worker and at night helped his wife finish her piece work. She worked making fashion clothes at home.

'I am a tailor and a sample machinist. I have worked in various factories and have learned how to manage a small clothing factory, how to get orders from other big firms. So I decided to have my own business.'

In 1986 Hue and his brother started their own clothing factory in a shop front on a busy inner city street. The shop had previously been a laundromat run by an Egyptian. Their own savings provided 80 percent of the start up capital and a bank loan made up the rest.

'I am doing the same job now but with more responsibility, I have to supervise the work of other people.'

The business takes on contracts from larger clothing firms and is engaged in the finishing of fashion clothes. It operates as a maker up, distributing cut pieces to sewing machinists to do the simple work probably in their homes and collecting them to do the more complicated finishing up work in the factory. The business employs 7 people; Hue and his brother and wife, and four other women who work as sewing machinists or process workers. Apart from one part-time worker who is Chinese, all other workers are Vietnamese. All full time workers work 50 hours per week and the brothers work up to 60 hours a week.

'There are too many similar small manufacturers to compete with, so sometimes you have to accept some orders with a low price.'

Hue feels he has no control over price setting as the big firms always set the price for a contract. The only choice he has is how low to bid in order to win the contract from his competitors. Contracts are maintained by minimising the number of faulty garments and delivering on time. The average weekly turnover of the business is between $1,000 and $3,000.

'Its a good country here. You can set up your own business fairly easily, there are plenty of opportunities if you work hard.'

Hue works six days a week and sometimes finishes late in the night to finish orders and deliver in time. He has not had a holiday since starting his own business. At present he lives with his brother and his wife. He would like in the future to get married and have a long overseas honeymoon trip.

7.3 The Ethnic Dimension

Much of the international literature reviewed in Chapter 2 found evidence for ethnic enclaves, which were sometimes seen as being necessary to sustain viable businesses. One of the distinctive features of Australia's population is its ethnic diversity: even in Marrickville no single NES birthplace group comprised more than 7 percent of the population. It might seem likely in such a situation that 'ethnic' businesses would either survive in limited product areas only (particularly staple food items), or by extending their markets to reflect the ethnic diversity of their neighbourhoods. Indeed it was the combination of an ethnic approach and a variety of customers which characterised many of the businesses we surveyed.

Many of the businesses we looked at had an ethnic dimension, either in the sense that they offered products relating to a particular ethnic group (e.g. Asian food), or that a substantial proportion of clients (and often suppliers too) were co-ethnics. But they were not exclusive. A Vietnamese hot-bread shop produced French-type bread aimed at a yuppie market as much as a Vietnamese one. A coffee shop attracted 'Australians, Europeans, especially Greeks and Yugoslavs, people from the Middle East - everyone but Indians'. A petrol station did not specifically cater for any particular ethnic group. But the actual clientele was more limited as the owner pointed out in explaining why there was a lack of racial problems in running the business: 'Because this area is pretty multicultural - not many Australians come in here'.

Delis and grocery stores were the firms with greatest targeting at ethnic markets. Half of these firms had 60 per cent or more of their customers from their ethnic group, compared to a quarter of other retail firms and services. The three ethnic groups with greatest involvement in this area of retailing (at least in Marrickville), were Greeks, Vietnamese and Lebanese. However the only ethnic group in which a majority of businesses had more than 60 per cent of customers from the same ethnic group were Vietnamese. Greeks, Lebanese and Italians were fairly comparable (at about a quarter of their businesses in this category), and Latin American businesses had very little ethnic targeting at all. Given the possible bias of the sample towards firms with an ethnic appearance, these figures are probably over-statements of the extent of ethnic concentration amongst customers of ethnic small businesses. In practical terms, it was easier to sell products to people who spoke the same language: one Chilean couple closed their shop when their daughter couldn't work because 'we can't communicate with our customers'.

One interesting feature of many of the businesses was the way they aimed at more than one market. A real estate office doubled as a travel agency (a common combination in Sydney). A Vietnamese bookshop, aiming only at a Vietnamese market, provided a photographic service for a general market. Less surprisingly, a used furniture shop was run by the same family as a new furniture shop. The restaurants aimed at a different population for lunch (schoolchildren and local workers) than dinner (other Asians, Anglo-Australians resident in the area). Having more than one market allowed risks to be spread between lower- and higher-turnover products, narrower and wider market segments, low- and high-return items.

There is some evidence for ethnic specialisation by product. The retail survey of Marrickville showed that Italians were the most 'over' represented in hairdressing, Turks and Egyptians in video shops or jewellers and dry cleaning, Lebanese in delis and take away shops, and Vietnamese in delis, restaurants and bread shops. In terms of market share, the most concentrated retail and small service areas were real estate/travel (56 percent were owned by Greeks and other smaller groups from Europe), bread and cake shops (52 percent were owned by Greeks or Vietnamese) and grocery shops (50 percent were owned by Greeks or Vietnamese), while liquor stores, newsagents and secondhand goods stores were dominated by people born in Australia. Running pubs was also an Anglo pursuit with two-thirds of Marrickville's pubs run by people born in Australia, New Zealand or the British Isles.

The general pattern which emerges is of ethnic product niches, but not ethnic market enclaves. Certain groups specialise in providing particular services and products, but while co-ethnics frequently provide a base market, the custom of other residents in usually necessary for the business to survive.

7.4 Independence: Vision or Mirage?

One of our initial questions was about how real the independence of small business people was. Certainly 'independence' figured large in the justification for going into small business: 60 percent of our sample gave 'independence' as one of their reasons for going into business for themselves. 'We got sick of working for others, being pushed around at work', as a refrigeration installation manager put it. 'We thought we may as well try it out - you work so hard for a wage, you may as well work for yourself.' Independence for him combined freedom from supervision with the ability to keep more of the profits made from his labour. This view was fairly typical, at least of the men interviewed.

Some apparently independent small businesses represent a form of concealed dependence on a larger business (through out-work, franchising or sub-contracting). Clothing work is perhaps the most extreme form of this, documented by the TNC (1985). Several of our respondents were in this situation. One small Vietnamese firm acted as a subcontractor making fashion goods for a number of larger firms. A major problem they had was delays in payment from the big firms, which meant that they were short of money to buy more supplies; they could not improve the situation 'because there are plenty of other small manufacturers who compete with us'. Prices were largely outside their control. Another firm, subcontracting for 5 or 6 larger firms, responded to a question on how they set their prices by saying 'No way, prices are already set by big firms'. The main form of 'freedom' permitted within this net of financial dependence was, as several of the respondents pointed out, to work late into the night finishing orders.

The retail stores on the other hand appeared to be more similar to the traditional petit bourgeois form. The hot bread shop and the grocery stores were owner-operated, and prices were determined by the storekeeper. The restaurants were similar. Some of the profits would have gone in the form of rent for the businesses which rented their premises (this included most of the Lebanese, Latin Americans and Vietnamese in our sample, and about half the Greeks and Italians) and some in the form of interest; but this would represent a squeeze on profits rather than any restriction on autonomy.

Other businesses were partially dependent on other firms, although not usually in a way which challenged the ideology of autonomy. The service stations were clearly in franchise relationships with their petrol suppliers, which could set wholesale prices and regulate supply. But even in that case, auto-repair activities were independently organised and supplies of food, drinks etc. came from a variety of suppliers. Owners could take decisions on the range of repair services carried out, types of machinery used, and for the food and other goods the product mix, suppliers, retail prices and profit margins. Similarly, the Vietnamese bookshop was part of a franchising system as far as its photo-processing went. The processing machines were leased from a large company, but the retail price was not fixed. The franchise arrangement did not extend to film, and so film was bought from a number of different suppliers. The bookselling part of the business bought its stock as part of a cartel, and its prices were set in consultation with other Vietnamese bookshops. Most businesses had multiple suppliers, and did not seem to be particularly dependent on any one of them. One of the businesses surveyed was itself concerned with coordinating sub-contractors, in the installation of refrigeration equipment.

7.5 Freedom or Self-Exploitation?

The flip side of 'independence' was hard work. As the Vietnamese baker put it, 'we have come to this country for freedom - we have to work hard.' Trying to make a go of small business requires enormous effort: hardly any of the people interviewed worked less than 45 hours per week, and 40 percent worked over 60 hours per week. Some of those working less than 45 hours per week in the business did so because they had another full-time job. Interestingly, it was not the most recent settlers who necessarily worked the longest hours. Greeks had the highest representation amongst the 'over 60 hour' group (about 62 per cent), with Italians and Latin Americans the least likely to work such long hours (about 26-29 per cent), and Vietnamese and Lebanese in between (both on 44 per cent). One man worked from 3 a.m. to 7 p.m. six days a week and only slightly less on Sundays. A 9 to 5, five-day week was not an option for most of the small business people. A butcher had got his business established by working during the days in his shop and at nights in a factory (while his partner worked in the shop during the night and a factory during the day). A couple running the furniture shop would go anywhere anytime to get supplies: 'Originally we would buy everything - if people rang up at midnight with furniture to sell in Campbelltown we would jump in the truck and go out at all hours to look at it.' (The male partner worked during the day for a government department). The refrigeration installation shop owners were on call all hours 'like doctors - if something goes wrong, they want us there immediately'.

The length of the working day seemed to be more a matter of economic necessity than any cultural affinity for hard work . The furniture shop owners started cutting back their midnight trips once their cash flow improved. And one of the Vietnamese respondents commented that life in Vietnam was 'much easier': there was more time for leisure, and his wife did not have to work. It was trying to make a living as an immigrant which encouraged the hard work, not his cultural background. However why the Greek business owners should have such a high rate of working long hours is not obvious.

Holidays were rare amongst small business people; about 1 in 9 said they 'never' took holidays. Only one in three respondents had had a holiday in the previous two years. About half the Greeks, Italians and Lebanese had had a holiday in the previous two years, compared to about a fifth of the Latin Americans and Vietnamese. Those who had started their business in the previous two years were, not surprisingly, less likely than others to have taken a recent holiday. However those who started their business before 1981 were no more likely to have taken a recent holiday than those starting in the next five years, so the easy life that small business may be thought to offer could be more for the next generation than the next five years. One Italian shopkeeper said that the only time she took holidays was when she was giving birth to children.

7.6 The Problems of Running a Small Business

Competition with rivals was a constant problem. New supermarkets were a nightmare for small groceries, although some responded by specialising to capture the increased flow of shoppers to the supermarket. A milk vendor and a traditional acupuncturist claimed to have no competition, while others complained about new firms undercutting prices. A Lebanese takeaway experienced direct competition from a Chinese takeaway, but was less concerned about a nearby pizza shop. A Lao shop which imported clothes, Buddhist statues and magazines from Thailand experienced competition from other Asian shops in Cabramatta.

Reported turnover was fairly low for most firms, but particularly for those run by relatively recent migrants. Some three in five of these firms had a turnover of under $3000, compared to one in three of firms founded by migrants who arrived at an earlier period. However about three quarters of the firms said they made a profit in the previous year.

Businesses were subject to a variety of hazards. One Vietnamese butcher had previously tried a fishing venture, which lost money, and had to be abandoned. One of the mixed business owners had lost a previous shop through fire. A restaurant owner was forced to close down his first restaurant because of complaints from the neighbours. His second business venture ended when he fell out with his partner. One Italian bistro owner had a previous business which went broke before it opened, due to a firebombing of the shop next door. Altogether about 1 in 10 had gone out of business due to financial difficulties. Others moved into bigger shops, or opened second shops when business expanded. This included a couple of service station and furniture shop owners. The hazards of business were not confined to the business going broke. One Chilean shoemaker had to sell his house because of business debts. As a Lebanese property developer put it 'it puts a lot of pressure on you - everything is on the line'.

To start a business requires capital, and migrants often find it difficult to get access to credit, due to lack of local knowledge, lack of collateral and sometimes discrimination. In Marrickville the Cantonese 'Hui' is used by Vietnamese of Chinese origin. An individual who needs money organises about 20 trusted friends to pay a sum of money (say $500) each month over a period of 20 months. The members receive the total amount ($10,000 in this example) in turn, the order being regulated by a system of bidding, i.e. offering interest to the other players. For the early bidders the Hui is a way of getting access to capital fast; for the later players it is a way of saving. This system provides capital (which might be used for house purchase, consumer expenditure or setting up a business) for people who might find it hard to get bank credits. It requires great frugality on the part of manual workers, who would have to save most of their income to meet the monthly payments. The 'hui' like other informal rotating credit systems, is based on solidarity within the ethnic community. Honour and standing in the community is the guarantee against default.

Most of the Vietnamese and Greek business people had started off with their own savings (accumulated through hard work at relatively low wages in factories), and often with money from other members of their families as well. Some had tried to get bank loans and been refused. 'They wouldn't give us a loan', one person said. 'We had to go to a finance company and borrow for a high rate of interest'. Those who had been successful had to get friends to provide security, or to get credit in the form of a second mortgage on their homes, rather than as a business loan. Obtaining credit was clearly a major problem, and some respondents felt that they were being discriminated against as immigrants.

Most of the enterprises required fairly little capital to start, which could sometimes be raised from savings and getting payments in advance.

7.7 The Personal Dimension of Economic Restructuring

The personal history of many of those going into small business reflects the broader economic history of the Sydney region, including the decline of manufacture and the growth of the service sector. This is not surprising given the important role migrants played in providing factory fodder for the manufacturing growth of the 1950s and 60s.

One person was retrenched from a Newcastle steel plant at a time when world demand for steel began to fall, another was laid off from a caravan factory when it was taken over by a Japanese company, another was a process worker in Botany (just south of Marrickville), and quit when production was transferred to the western suburbs. Almost a fifth of our sample had experienced unemployment. This varied enormously according to time of arrival and ethnicity. About 1 in 10 of those who arrived in Australia during the long boom had been unemployed at some stage, compared to 1 in 6 of those coming during the less buoyant years of the 1970s, and 1 in 3 of those coming in the 1980s. Partly because of their period of arrival, the rates for differed ethnic groups varied from the earliest group, Italians (2 per cent), to later groups, Lebanese (40 per cent) and

Vietnamese (25 per cent). However none of the Latin Americans had experienced unemployment, so year of arrival was probably not the only factor (Figure 7.1).

Figure 7.1

Several people had worked in the service sector including serving food in a university canteen, and dishwashing and cleaning in a restaurant.

7.8 The Role of the Family

Small businesses often involve the labour of the whole family, with the husband and wife working very long hours, and children helping out after school and in the holidays. Large families have an edge here: one Vietnamese restaurant was run by a couple with the support of 8 children, of whom three were already grown up and working elsewhere or studying. Such large families are far from typical though; often parents are involved, or brothers and sisters. In some cases, a family member may leave to set up his or her own business, leading to the development of small-scale business networks. About 75 per cent of the businesses in our sample were 'family businesses' in that they had at least 2 family members working there, while 1 in 7 had 4 or more family members involved. One Italian fruiterer spoke of organising 'an occupation for the whole family'. Others saw business as a way of tapping family labour which would otherwise not be financially rewarded. In one case, a respondent had helped his wife start a shop when she had a small baby, because this made childcare easier than her previous factory job. Another male partner had established a business so his 'wife would not have to go out and work'.

Generally members of the nuclear family do not receive individual payment. Work by members of the extended family may be paid, though not at very high rates; sometimes the return on labour is perceived in the on-the-job training gained, which may help in setting up an independent business. One of the restaurant owners had learnt his trade by helping a friend (Compare Lovell-Troy 1980). Most of the businesses employed exclusively family members. A few had some other employees, generally non-unionised and employed on a casual basis. One of the exceptions was the refrigeration installation firm whose employees and owners had to have union cards to gain access to building sites. Several of the partnerships were based on a friendship formed either in the army or in refugee camps.

Clearly, running a business becomes the central concern in life for many small entrepreneurs, leaving very little time for anything else. Some people complained of the social isolation this caused: one woman had been in Sydney 20 years and reported having no friends 'because there's no time to see people'. A few of the respondents seemed, despite the long hours, to have a relaxed attitude to work, saying they could forget about it after hours. Some saw the business as a place for social relations as well, saying their friends came in to talk during slack times - though sometimes they came to get business tips.

The long hours, hard work and child labour seem likely to put extra pressures on family life. (One couple said they found each other's company 24 hours a day rather tiring). But so would the alternatives: migrants without recognised qualifications generally have to work very long hours in factories to make ends meet. Since this often requires considerable travel time, and children cannot come to see their parents in the factory, such employment is even more disruptive of family life than self-employment (compare Sung 1987, for an account of the effects of work in the New York garment industry on the family life of Chinese immigrants).

7.9 Mobility - Moving Up and Moving Out

Most of the Vietnamese lived in Marrickville, though not usually on the business premises. Greeks on the other hand tend to commute in from areas further west or south-west. A process of ecological succession seems to be happening: the Greeks had moved into small shops and catering in the 1960s and 1970s, living on or near the premises. With increasing prosperity they were moving away, and sometime also shifting to more lucrative businesses. The Vietnamese were replacing them, sometimes actually taking over shops from older Greeks, or renting premises from them. Generally people setting up businesses did not own the building (only 7 per cent of those starting up since 1986), while of those which had been going since before 1981, 64 per cent did. Such a comparison needs to be made with caution, because the pre-1981 group are the survivors from that period (and therefore probably more financially secure than those starting at the same time who subsequently folded), while those who went into small business most recently include some who will fail within 7 years.

The shift out of small business becomes more evident with the succeeding generation: few of the respondents wanted their children to follow in their footsteps. Typically the aim was to get higher education and to become a professional or white-collar worker. Both parents and children knew too well the hardships and insecurity of small business, and were willing to work hard to enable the next generation to move out of this sector. There were exceptions: one Greek respondent said she was 'waiting for my daughter to marry and take over the business'. Judging by their participation in tertiary education, many of the children of our respondents seem likely to realise these aspirations. One Vietnamese shopkeeper had 4 sons all at university doing medicine, law, engineering and pharmacy studies respectively. If the second generation do get into businesses, these are more likely to be of a 'white-collar' nature: travel agencies or real estate. But even this may not be seen as a success - the aim is professional or executive status.

Why do people choose to set up businesses, in view of the hardships involved? Cultural theories would look for an explanation in the economic roles prior to migration and in the belief systems of the migrants. The Greeks and the Chinese in South east Asia are among the groups often referred to as 'middleman minorities' (Zenner 1980). In fact the fathers of most of the respondents had been in petit-bourgeois positions in the homeland, and a majority of the small business owners themselves had some personal experience with running a business. For three of the Vietnamese in this situation, their businesses had been confiscated by their government.

Some of the respondents had themselves moved into white-collar or professional occupations (teachers, public servants, an architect), which they had been unable to exercise in Australia due to non-recognition of qualifications. Vietnamese had the highest proportion of people with degrees running small businesses, while about a fifth of the Vietnamese and Lebanese had worked in professional jobs before coming to Australia. A quarter of the Vietnamese migrants had been in the army or police. Typically, migration to Australia involved downward social mobility: from independent business person or white-collar worker to blue-collar worker. There was sometimes a reluctance about going into business, associated with closure of other alternatives. One woman interviewed (an architect) did not have any inclinations towards small business, but her husband 'has always been in business ... In Greece - he, his father and his grandfather .... he always had it in mind to start up a business in Australia ... it's in his blood. Wasn't my choice!' While experience of small business might have been in the blood, so too were professional aspirations. In the case of this woman, her architectural qualifications were not recognised, and she would have had to spend several unpaid years at university to be able to resume her professional career in Australia. The experience of 'independence' and autonomy associated with small business may not be shared by all family members.

Some respondents had decided to set up small businesses in response to the experience of being in a dead-end job, and feeling that they could not use the qualifications and skills they had before migration. Many of them had experienced retrenchment and unemployment (in one case after an industrial injury). One spoke of experiences of discrimination at the workplace as a reason for wanting to be independent. In general, the small business people thought they could get on better in their own firm, would in the long run earn more, and be able to offer better opportunities to their children. This type of motivation corresponds much more with the situational approach (see Chapter 2): entry into small business is not a result of cultural predispositions, but of blocked mobility in the mainstream labour market, due to lack of qualifications (or non-recognition), discrimination or simply retrenchment and insecurity of employment. In other words, the extremely hard work and risky nature of small business seemed preferable to the only alternative open to most migrants: low-status, insecure manual work. In a situation of decline in such employment due to economic restructuring, this helps to explain the flow of migrants into the small business and informal sectors.

The blockage hypothesis: entry into small business due to non-recognition of qualifications is partly supported by the relatively high level of qualifications amongst ethnic small business people. Some half of our sample had some qualifications: this compares with about a third of Australian-born people, or a third of people from NES backgrounds in general. About 15 per cent of those starting a business since 1981 had a degree compared to about 8 per cent or all people from NES backgrounds. Lebanese and Vietnamese were generally the best qualified groups.

What sorts of small business did people go into who had been displaced from manufacturing jobs, or who had been unable to get work in a period of economic restructuring? One way to examine this is to look at the jobs migrants got when they first came to Australia. In this comparison the owners of delis appear the most likely to have been affected by the decline of factory jobs: three quarters of them had worked as factory workers or labourers when they first came to Australia, compared to half of other small business owners in the survey. Another way of examining the question is to compare unemployment experiences of the owners of different businesses. Again deli owners appear high in the comparison: about a third of them had experienced retrenchment or unemployment, compared to 15 per cent of other business owners. When this is added to the information we have about long hours for low returns in these type of stores, it seems unlikely that many of those who entered small business after losing manufacturing jobs achieved much upward mobility.

7.10 Conclusion

The results of our survey of 165 small businesses owners in Marrickville, Leichhardt and other areas of high migrant settlement in inner and Western Sydney allow us to bring out some special features of migrant small business in an Australian city. It also provides a basis for comparisons with experience in USA and Western Europe. In terms of the distinction between the 'macro' and the 'micro' approach to the issue put forward in Chapter 2, the information provided here clearly relates to the latter, i.e. it helps us to understand the individual motivations, experience and consequences of small business activity, rather than the dimensions of economic and social structure. Yet this material is a precondition for understanding the macro dimensions.

In the present section we will summarise the findings and relate them to another theoretical issue raised in Chapter 2: the distinction between 'cultural', 'structural' and 'situational' explanations of participation by ethnic minorities in business activity.

Our study showed that migrant entrepreneurs in Sydney do not create an 'enclave economy' in the way that Cubans, for instance, have done in Miami (Wilson and Martin 1982). Neither are there areas dominated by one single immigrant group, nor are there many businesses whose suppliers and/or customers are mainly co-ethnics. The main exception is the small-scale retail sector, where a number of food groups do cater mainly for the needs of co-ethnics. On the other hand, there do appear to be 'ethnic niches', i.e.

areas where opportunity structures favour high participation of migrants. These are of two kinds: firstly services catering for the general public, but where products are linked to ethnic cultures (such as Asian restaurants Greek delis; secondly economic branches where entry conditions are favourable to newcomers. This may be because little start-up capital is required, there is no need for licensing or recognition of qualifications, or where small units are viable because the nature of the business does not provide significant economies of scale (compare Waldinger 1986). Of course, the very ease of access to a sector is also a disadvantage: it makes for tough competition with hungry newcomers, leading to low returns and the need for long working hours and reliance on family labour power.

Many immigrant entrepreneurs saw starting a business as a way to become independent. As we saw, this independence was often more apparent than real: in a complex modern economy, the petit-bourgeoisie is part of complex chains of interaction with large-scale industry, both in Australia and overseas. The isolation and weakness of the individual small business means that business decisions such as product design, pricing and marketing are often dictated by large customers or suppliers - the risk is borne by the small business, while most of the profit goes to the large one. The small business can only survive by cutting profit margins, by demanding long hours of work from proprietor and workers, and sometimes by passing on work to even more dependent people, namely outworkers. This applies most in the clothing industry, and least in the small retail sector, where there was some choice of suppliers, and no single predominant customer.

The price of freedom (whether illusory or real) is high: long working hours, few holidays, the need for unpaid work by the whole family. Our findings correspond with those of Strahan and Williams (1988) on the importance of family support in running small enterprises. But then the predominant motivation of the owners is to provide a better future for their children, so to expect the child to participate in the work does not seem unfair. The immigrant entrepreneurs are very realistic about the self-exploitation involved in their work: very few want their children to follow in their work: very few want their children to follow in their footsteps. The aim is tertiary education and then a shift into professional or executive employment. This aim is not unrealistic and seems, for those who are successful, to justify the sacrifices. Their economic perspective is not an individualistic one, but rather an intergenerational one.

Many small entrepreneurs fail, so the risk and the hard work do not always pay off. But the alternative - remaining in blue collar work - is not very attractive either.

This finding corresponds with research results in the USA and Western Europe: many descendents of the small business groups of earlier immigrations have achieved a transition to white-collar employment. In Australia, second generation Greek and Polish migrants do have about the same rate of professional employment as the Australian-born population, although Italians and Maltese have less intergenerational mobility into the professions (Collins 1988: 190). This success is a powerful argument against cultural explanations of immigrant small business. If there were a cultural predisposition towards business involvement, it would persist over generations. Yet this is clearly not the case. It seem rather that the migration process itself often results in downward social mobility: former small business owners, government officials, white collar workers have to work in factories in Australia, either due to lack of language proficiency, lack of local knowledge, non-recognition of qualifications or discrimination. One way of overcoming this 'blocked mobility' is setting up a small business. But the human cost is high and the strategy may not pay off until the next generation. The grain of truth in the cultural argument may lie in the claim that migrants with small business experience in their families may be better at setting up businesses, or have better contacts to get started. Once started, as Strahan and Williams point out, those with experience tend to be more successful.

In sum, we found little evidence for cultural explanations of small business activity. 'Ethnic predilections' may affect the choice of business activity to some extent, and 'ethnic solidarity' may play a part in providing capital or establishing business networks, but the crucial factor seems to be the opportunity structures provided by the economy at a specific point in time. Small business activity in general is increasing at the moment for reasons explored in Chapters 2 and 5. Immigrants participate in this trend, and, indeed, are often overrepresented, but this is because their opportunities of mobility through other channels are blocked. Small business, on the other hand, is a possible way out of factory work. The choice of type of business venture may have an ethnic dimension, but it is more strongly influenced by other factors: capital required, absence of barriers (such as licensing requirements), market opportunities, possession of necessary skills and the like. Our evidence leads us to support a combination of structural and situational approaches: changing economic structures provide new niches for small business; the situation of particular immigrant groups makes them able and willing to fill them.

Immigrant small business is thus an important resource for the Australian economy at a time of rapid change. This resource is often wasted through lack of knowledge of its significance, and lack of support for those willing to take the risks and do the hard work involved. The economic loss through failure of many small businesses should not be readily accepted. Obviously, the motivation for setting up a small business is an economic one, based on individual and family interests. Yet it may be lead to gains for society as a whole. Small business in general and immigrant small business in particular deserves support. The recommendations at the end of this Report suggest how the current waste of potential might to some extent be avoided.

8. FUTURE DIRECTIONS FOR POLICY AND RESEARCH

Our study of ethnic small business in Sydney has highlighted the importance of this neglected aspect of the Australian immigration experience. We have established from Census data a pattern of over-representation of immigrants - particularly from many non English-speaking countries - among the categories 'self-employed' and 'employers' in the New South Wales and the Australian labour market. We have also attempted, by way of questionnaire study, to gather qualitative evidence in order to flesh out the dynamics of the ethnic small business sector in the Australian economy.

One obvious question that emerges relates to why there is an overrepresentation of immigrants in the Australian small business sector? We have found that the 'cultural' explanation, used to describe similar patterns in other countries, is in itself unconvincing. Rather, the qualitative evidence from our Sydney study of over 160 ethnic small businesses suggests that the explanation is more complex. It is the relationship between the cultural and social characteristics of groups, together with the circumstances of their arrival and settlement - i.e., the 'situational' explanations - which appear to be more relevant to the dynamics of Australia's ethnic small businesses. Our evidence lends support to the thesis of 'blocked mobility' as an explanation for the disproportionate presence of many immigrant groups in the small business sector.

Blocked mobility has many forms: It might arise through the non recognition of education and workplace qualifications; through racist resentment and hostility towards NES immigrants in the workplace; through racial discrimination at the point of entry into the workforce; or through a mixture of a lack of adequate English and/or lack of appropriate skills and qualifications. The very nature of the dynamics of racism in the workplace and the community makes quantitative 'proof' impossible, yet the qualitative evidence points to the need for further investigation in these areas.

The circumstances of the Australian economy at the time of immigration - dominated in our study by the economic restructuring of the international and the Australian economy and the continuing decline of the manufacturing sector - have an important bearing on opportunities for new immigrants to enter the workforce. The frequently stated desire for 'independence' as the main motivation for immigrants in out study to move into small business may reflect all the above aspects. However, further study and research into the 'blocked mobility thesis', the 'ethnic enclave' and the 'middleman minority' hypotheses is required before definitive conclusions are made. Our study has found that such theoretical explanations need to understand the different dynamics that appear to prevail for different ethnic groups. For example, the 'ethnic enclave' does seem still relevant in part for Italian small businesses in Sydney, but less relevant for the Greeks.

One policy implication of our study - the need for dramatic change to the procedures for the recognition of overseas qualifications of Australia's immigrants - has been addressed in the recent establishment of the National Office of Overseas Skills Recognition. If further studies confirm the importance of racism at individual and institutional levels to the process of 'blocked mobility' for immigrant workers in Australia, other policies may be appropriate. These could include programs to increase awareness of racism generally in the community and programs directed specifically to those charged with staff recruitment and employer relations in the workplace. Further research is required in this regard. More generally, policies which reduce migrant disadvantage in the workplace may be required to erode the barriers to the mobility of migrants in the Australian workforce. These could include labour market programs for unemployed first and second generation migrants and improved access to English language classes in the workplace and in the community.

We have shown that the small business sector accounts for about 40 per cent of employment in the private sector of the Australian economy. Studies also suggest that migrant small businesses are more successful than other small businesses in Australia. One implication of our study is that current debate on the impact of immigration on the Australian economy is incomplete until a thorough study of the economic contribution of immigrants in the small business sector of the Australian economy is undertaken. Such a study would have to focus on the employment opportunities in small business, the value-added and the level of investment in plant and equipment in the migrant small business sector of the economy. Moreover, the interrelationship between the family reunion component of the immigration intake and the migrant small business sector requires further investigation. It may well be that there is a stronger economic argument for family reunion intakes than is acknowledged in the current debate. This is because those most many of those immigrants over-represented in the small business sector come from countries where family reunion was the major dynamic of emigration.

Nevertheless, the small business sector of the Australian economy is highly volatile, with very high failure rates a persistent feature. The evidence available to date that suggests that ethnic small businesses are more successful than other small businesses in Australia requires further research to more rigorously test this conclusion. Studies of migrant small businesses in States other than NSW would allow more confidence in these assertions. Moreover, similar study of the success rates and the dynamics of the Australian-born - i.e., third or later generation - small business sector will allow an isolation of factors which relate to aspects of immigration and ethnicity from those which confront all small businesses.

What are the distinctive features of immigrant small business behavior that emerges from our qualitative study? Analysis of our questionnaire responses suggests that access to family labour and a willingness to work long hours for relatively low returns is an important dynamic in the success of ethnic small businesses in Australia. Three quarters of the immigrant small businesses that we surveyed were 'family businesses' in the sense that they had at least 2 family members working there, while 1 in 7 had 4 or more family members involved. There was also an apparent different set of work tasks performed by men and women -often husband and wife - in the business. How critical the sexual division of labour and the use of family labour is to the small business sector requires further research before firmer conclusions can be made in this regard.

Similarly, extended family and ethnic community networks appear to be important for raising finance to start ethnic small businesses for some ethnic groups such as the Vietnamese. Many found problems in getting finance, while few indicated knowledge of any government policies or initiatives that may make their success easier to achieve.

We have found that, despite the relatively high presence of NES migrants in the Australian and NSW small business sector, there is little assistance - if any - given to them by the public or private sector. The major exception appears to be annual ethnic business 'awards' which, while highlighting a hitherto neglected aspect of our small businesses, do not extend to other policy initiatives. Our survey indicated that none of the small businesses surveyed were members of any small business associations. One policy implication is that governments might investigate the establishment of a policy for migrant small businesses to provide financial and other support. Further research, building on Holton (1988), into the most appropriate policy package to financially support and encourage the ethnic small business sector would be fruitful.

There seems to be a trend towards a growth in the proportion of self-employed in the Australian workforce. In this study we have used the proportion of the workforce that is comprised of the self-employed and of employers as a proxy for the relative presence of each birthplace group in the small business sector. Since ninety per cent of employers employ less than ten people, this seems an appropriate proxy in terms of employers who are in small business. However, many of those categorised as self-employed seem in fact to be sub-contractors, out-workers or other casualised or marginalised employees. Many studies suggest that NES migrants are over-represented in these categories (Alcorso 1988, TNC 1985). Perhaps the apparent growth in self-employment represents a growth of these trends, rather than a growth in the ethnic small business sector. Detailed empirical and qualitative research into the growth of self-employment in Australia is required before firm conclusions are made in this regard.

The state of the economy at the time of settlement is clearly a vital factor in determining migrant opportunities in the Australian workforce. Over the past decade, the Australian economy has been caught in a web of international and national economic restructuring. This has important implications for the industrial and occupational characteristics of new jobs, as well as the rate of unemployment and of retrenchments of established employment positions. It therefore is critical to the opportunities for migrant employment mobility and blocked mobility. This is particularly the case for immigrant women workers born in NES countries. They appear to be the most vulnerable as protection in the clothing, footwear and textile industries is reduced. Similarly, many immigrants who have lived in Australia for decades appear to be discarded from the workforce as the manufacturing industry continues to decline. Further research into the nature of this process of economic restructuring, and the implications for employment opportunities for past as well as future immigrant workers, is required.

In the case of immigrant women, it appears that the high cost and shortage of adequate childcare relative to the wage levels may be an important source of blocked employment mobility for many NES women. For these women, working at home (and looking after children at the same time), even at poor wages, often brings in more income to the family than would most jobs away from home. One answer to this would be to maintain the growth in the number of places in long day care centres (about 9 per cent per annum in NSW), but target these more in areas of high migrant unemployment. Further research into these policy initiatives may be very fruitful.

There is also a regional dimension to the process of economic restructuring and the subsequent opportunities for immigrants in the workforce. In NSW, the immigrant population of the Illawarra region has declined while the immigrant population of the Hunter region is small and has increased only marginally. As a consequence the Sydney region has taken in the bulk of new immigrants into NSW. There is also disproportionately high unemployment in the Western and South Western suburbs of Sydney where most new NES immigrants settle. This is particularly the case for Vietnamese and Lebanese immigrants. Increasing metropolitan primacy coupled with rural decline and the decline of the manufacturing industry has eroded the traditional sites of immigrant incorporation into the Australian labour market. As a consequence, some immigrant workers appear to be facing new and stronger tendencies towards blocked occupational mobility. Labour market policies to retrain the new migrant unemployed and decentralisation policies to arrest the decline of non-metropolitan job sites for immigrant workers appear to warrant strong consideration and invite further research.

The experience of ethnic small businesses in Sydney appears to indicate a lack of real savings or growth, with the implication that social mobility is mostly inter-generational in the ethnic small business sector. Further research into inter-generational mobility could confirm these hypotheses. Most migrants in small businesses are concerned to ensure a better future for their children. In this regard, policies which encourage educational success of NES migrant children in schools are important to permit greater upward social mobility of the second generation.

Many small businesses experience very real financial and social hardships, and often rely on long hours of work - shared between family members - to maintain viability. The story we found seemed less that of a 'rags to riches' story than one of a movement from a 'lumpenproletariat' to a 'lumpenbourgeoisie'. The policy implication is not that ethnic small business success should just be celebrated, but that policy initiatives to encourage and support ethnic small business in Australia be investigated. This could include greater access to cheaper finance for ethnic businesses. Moreover, government policy in areas such as retailing should acknowledge the large migrant presence in these areas and respond accordingly. However, the strong independence of ethnic business-people suggests that excessive government intervention into ethnic small businesses may be unwelcome.

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APPENDIX: SURVEY QUESTIONNAIRE

ETHNIC SMALL BUSINESS STUDY 1988

Instructions to Interviewers

1. The interview should take about an hour. Try to arrange a time when the person is free for that long.

2. Check that you have a questionnaire, a couple of pens (in case one runs out half way), and a clipboard (its easier to write on one). Take your diary also in case the time turns out to be unsuitable and you have to make another appointment.

3. If they ask who the study is for, say it is being organised by the Centre for Multicultural Studies at the University of Wollongong. It is being paid for by the Office of Multicultural Affairs in Canberra, part of the Prime Minister's Department.

4. If they ask why we are doing the study, you could say that we are looking at the contribution of migrants to the economic development of Australia. This is a story which hasn't yet been told, and we are trying to provide some basic information about the businesses migrants have set up in Australia.

5. Read out the questions as they are written, unless you think they don't make any sense in the particular case. Feel free to probe further however. Repeating what they said, as a question, is one way to do this.

6. If somebody answers the next question as well without being asked, write it down then, and skip on to the following questions.

7. Please write down any interesting comments people make, on the back of the page if necessary.

8. Some of the sorts of things we are particularly looking for are: why people went into small business (retrenchment, discrimination, choice etc.); why they chose that particular sort of business; previous experience of small business in the family; whether this business is part of a wider business network; the joys and perils of small business life.

9. As soon as you can after the interview, please go through and tidy up the questionnaire, adding the extra things people said. Put comments of your own in a different colour pen. Please try to recall any questions which caused problems.

10. Square brackets [] are used as notes to you, or to give you options. Don't read aloud the words in the square brackets unless you need to. Have a look at them to see what is relevant. Sometimes they may give you a prompt to use to fill in an uncomfortable silence, or give you a better sense of what the purpose of the question was. Replace [your country of birth] with Greece, Vietnam etc.

[A short introduction about the study, which might be similar to this]
My name is .... [As I mentioned to you before] we are doing a study about migrants involved in small businesses in Sydney. Things like how they get started, how they manage to keep going, and what sort of markets they are aiming at. We are talking to different sorts of businesses including shops, restaurants and factories. I've got a list of questions here, so we can get the same information for each of the different businesses. But if any of the questions don't seem to apply to your business, just say so, and we can skip over them. We are going to put the information together into a report, but we won't identify anyone. So your answers will be treated in confidence.

Time interview began ....

Name of business:..

Address:..

....
Type of area (e.g. busy street, central shopping area, industrial park)
....
[INTERVIEWER TO COMPLETE]
Interviewee's name:..
Date of interview...
Interviewer:...

Personal History
1. Are you married? [If so, in what year?]
Yes / No Year:
[If married, get details for husband and wife in questions where this is indicated]

2. When did you first come to Australia?
a. Husband ....
b. Wife ....

3. Where exactly did you live in [your country of birth]?
a. Husband
city..
region...
b. Wife
city..
region...

4. What languages do you speak at home?
Main language ....
Other languages ....
4. What type of jobs did your parents have in your home country?
a. Husband
father..
mother...
b. Wife
father..
mother...

5. What sort of jobs and training have you [and your wife] had
a) before migration

b) since migration (use **Table 1** to record details)
c) [If not mentioned] Have you ever been laid off, or been unemployed? (in **Table 1**)
d) [If not mentioned] Have you owned another business previously? (in **Table 1**)

6. Why did you decide to migrate to Australia?
....
....

7. How many children do you have? ....

8. Could you tell me the age, sex of each child, and whether they were born in Australia;
Child Age Sex Born in Aust?
1..
2..
3..
4..
5..
6..

History of the business

9. When did you start, or move into this business?................

10. Why did you decide to go into business for yourself?
....
....

11. Can you tell us what was at this site before and what was the ethnicity of the owners?
....
....

[ASK ONLY IF THE PERSON OR HIS/HER PARTNER BEGAN THE BUSINESS THEMSELVES]
12. Getting a start is sometimes the hardest part of going into a small business. Did you you have people who gave you a hand, or provided material support? Yes / No
[If yes, What sort of help did they give you?]
....
....

13. What were your sources of finance when you began this business?
[OR]
You've mentioned financial help from ..... What other sources of finance did you use when you began this business?
Were they....[READ LIST]
About what proportion would that have been?
Source Rough %
Personal savings..
Family...
Friends..

Bank..
Other...

14. [IF MONEY BORROWED FROM FAMILY, FRIENDS, OTHER INDIVIDUAL]
a. In return for this financial help, would you be expected to help them in return? YES / NO
[IF YES]
b. What sort of help?
....
....

[IF FINANCE NOT MENTIONED]
c. Would you be expected to provide a loan to someone else a later date? Yes / No
[IF YES, GET DETAILS]
....
....
[IF NO OBLIGATION INVOLVED]
[So its just like borrowing money from the bank, is it? You pay the money back, and that's all?]
....
....
[Would you be paying market rates of interest, do you remember?]
....
....

Details of current business
15. What kind of business is this? That is, what does it make or do?
....
....

16. a. Who owns this business? b. building?
[WAIT FOR AN ANSWER. DON'T READ OUT THE LIST]

	business	building
self (fully)..		
self (partly)..		

[IF PARTLY]
Who owns the rest?
other family members
....
..............someone else (Who?)............................

17. [IF OTHER PEOPLE ARE MENTIONED] Ask EITHER
a. Are they from [your country of birth] as well? YES / NO
[OR]
b. Do you know what ethnic background [he is/she is/they are] from? YES / NO
[IF YES, write this in beside the person in the list above]

18. What are the range of tasks performed in this business?
[You've mentioned .... already. What else does the business do?]
[GET DETAILS, USE THESE HEADINGS AS ROUGH GUIDELINES]
design ....

fabrication/cooking ....
finishing/preparation..
storage/transport..
wholesaling ....
retailing ....
other ....

19. a. Who do you sell to?
....

[If shop or retail outlet]
b. How many customers per day do you have on average?........
c. What proportion of these would be from [your country]?.......
d. What proportion of customers speak to you in [your language]?
[If wholesaler or producer]
How many customers are small businesses like this?.......
large city wide firms?...........
national corporations?...........
international corporations?..............

20. a. Do sales fluctuate over the year?.
Yes/ No/ Other(specify)...................................
[IF YES]
b. Which are your busiest periods?
....

21. Who would you say your main competitors are?
....
....

22. Do you have a strategy for competing with these other [firms/outfits/people]? How do you compete with other similar businesses?
....
....

[IF A SHOP]
23. Do you face competition from large shopping complexes in the area? Yes / No
[IF YES]
a.What is the name of the shopping complex?........................
b. What impact has it had on your business operations? [e.g. sales, prices]
....
....

24. Could you tell me about your working hours?
a. How many days a week are you open? ....
b. What hours are you open for business?
i) hours open per weekday ....
ii) hours open on Saturday.............
iii) hours open on Sunday...............
c. What other hours do you work in the business apart from the time you are open?
....
....

25. Pricing is sometimes a difficult problem for small business. a. Do you have a particular way of deciding on your prices?

....

....

b. Do you sometimes vary the price you sell things for? How do you decide on that?

....

....

26. Could you tell me about your suppliers?
a. How many different suppliers does this business rely on?.......
b. What type of businesses are these suppliers?

....

....

c. How many of your suppliers are from [your country of birth]?
Number....... Per cent.....
d. How often do you change your suppliers?
[Don't read the choices. Let them use their own words.]
often?...............sometimes?..................never?...........
e. How often do you buy supplies or make orders?
[Different products may vary. Write down the products in the appropriate rows.]
daily...
weekly..
fortnightly ....
monthly............ ....
yearly..

27. One of the aspects of small business we are looking at is the use of machinery. What type of machinery/equipment is used in this business?
[Major items are all we need]
a.Description

....

....

b.Rough age [average of all the machinery if appropriate]

....

....

c.Was it bought new..............................
second hand.................................
d.Are computers used in production or accounting?

....

....

28. One of the problems small businesses sometimes have is building up a reasonable turnover. Would it be possible to give an estimate of how much business you do each week? Would it be .....
1............ under $1000/week [PAUSE, THEN READ ON]
2............ $1000 to $3000
3............ $3000 to $5000
4............ above $5000

29. Have you had help from any government programs or departments in this business?
YES / NO
[IF YES] What?

....

[IF NO] Why Not?
....
....

30. What have been some of the major changes in the business since you've been involved? (use space below to record changes, including date)
Ownership?
....
....
Business Type?
....
....
No of Workers?
....
....
Markets
....
....
Suppliers
....
....
Technology
....
....

How the business operates
31. Can you tell us something about all the people directly involved in this business?
a. How many people work in this business?.........
b. How many family members work in the business?.......
c. How many other people work in the business?.......
[Use **Table 2** to prompt and record answers

32. Could you tell us more about family help in your business?
a. How many hours per week do the children work?
1.............
2.............
3.............
4.............
b. Do the children receive pay for their work? YES / NO
[IF YES]
How much would that be per hour ...... per week.....?
[IF NO]
Do they expect that you will repay them some way at a later date? YES / NO
[IF YES]
EXPLAIN...
c. Do you get help from other family members? YES / NO
[IF YES]
i) How many......
ii) Do you pay them? YES / NO
iii) Do you help them out in return? YES / NO

33. How did you mainly recruit your other employees?
a. family/friends...
b. CES - agencies..
c. ethnic newspaper ads.......................................
d. other [specify]..

34. Can you tell us how you divide up the work in this business?
[Use **Table 3** to prompt and record answers]

35. Do your employees belong to a union? YES / NO
[IF YES]
which union?.......................

36. Do you belong to a business or professional association or anything like that? YES /NO
[IF YES]
which?...
[IF NO]
why not? ....

37. Do any other members of your family own businesses? YES / NO
[IF YES]
Family member Type of business
a)..
b)..
c)..
37a. [If not mentioned above] Are you part of a network with other businesses? Do you buy things as part of a group, or establish common prices?
....
....

38. Did this business make a net profit for your last taxable year?
YES / NO

39. Is it becoming harder to make a profit? YES / NO
[IF YES]
WHY?
....
....

40. a. Have you ever had to close a business because of financial difficulties? YES / NO [IF YES]
What happened?
....
....

b. Have your friends or relatives ever had to close a business because of financial difficulties? YES / NO
[IF YES]
What happened?
....
....

41. Some people use the money made in business to pay off a house or save for a holiday. Do you have a major item or project you are using any profits from the business for?
reinvest in business.............................
buy house...
other..

42. a. When did you last have a holiday? ....
b. How long was that for?............
c. How often do you have holidays?...........................
d. Have you been back to [your country of birth]? YES / NO

43. What effect does running a business have on your personal life?
....
....

44. You've talked about the various aspects of your business. Overall what would you say is the major problem you are facing at the moment?
....
....

45. Have you ever experienced any racial problems in the course of running this business? YES / NO
[IF YES]
What sort of things have happened? When?
....
....

46. Which major political party do you tend to support?
ALP / Liberal / National / Democrat / Other.............
....
....

47. If you had your time over again, would you migrate to Australia? YES / NO
EXPLAIN
....
....

Could we now ask about your family?
48. Do you live on the premises? YES / NO
[IF NO]
what suburb do you live in?...................

49. a.At home, who does most of the housework?....................
b. Do the children help with housework? YES / NO
[IF YES]
What tasks do the girls do?.................................
What tasks do the boys do?.................................

50. What types of jobs
a) would you like your children to have after they have finished their education?
....

b) do your children have?
Child job
1...2...
3...4...

51. Would you encourage your children to have their own businesses?
YES / NO
EXPLAIN
....
....

52. The last question is about the future. Do you have any plans for where you'd like to be, or what you would like to be doing five years from now? [Do you think you will?]
....
....

Thank you very much for your time and cooperation.
[INTERVIEWER] Time of completion ....

TABLE 1 : BUSINESS HISTORY

...................Include Dates ....

Major changes (including ownership, business type)
....
....

Changes in number of workers
....
....

Changes in markets
....
....

Changes in suppliers
....
....

Changes in technology
....
....

TABLE 2 : PERSONAL HISTORY

A. Before coming to Australia

Education/training

....

....

Wages/salaried jobs

....

....

Self employment

....

....

Unpaid work (not housework)

....

....

Unemployment/ looking for work

....

....

Housing/ marriage

....

....

B. In Australia

Education/training

....

....

Wages/salaried jobs

....

....

Self employment

....

....

Unpaid work (not housework)

....

....

Unemployment/ looking for work

....

....

Housing/ marriage

....

TABLE 3 : PEOPLE INVOLVED IN THE BUSINESS

	Person 1	Person 2	Person 3	Person 4	(incl pocketmoney)
Relationship to person 1					
Sex					
Age					
Ethnic group					
Skill/training					
Paid or unpaid (or pocket money)					
Usual hours worker per week					
Other details					

TABLE 4 : JOBS DONE AND BY WHOM

	Person 1	Person 2	Person 3	Person 4

BUYING; what? who decides what to get?

....

SELLING; what? who identifies the potential market?

....

PRICING; who sets prices? can this workers vary the price?

....

BUSINESS PLANNING; e.g.. who does the budget?

....

BOOKKEEPING; who works out tax? enters sales information?

....

STORING/SHELVING; who decides where things go?

....

HIRING/FIRING; who hires/fires staff?

....

PRODUCTION; who does the production/manual work?

....

CLEANING; who cleans the business premises?

....

SUPERVISING; who supervises other's work?

....

WORK PLANNING; who plans their own daily tasks?

....

OTHER; other jobs not yet mentioned

....

THE SERIES

Working Papers on Multiculturalism is a joint venture between the Office of Multicultural Affairs and the Centre for Multicultural Studies, University of Wollongong.

By publishing research projects commissioned by the Office of Multicultural Affairs, the series aims to promote a wider understanding and appreciation of multiculturalism in the Australian community.

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